[Translation for Reference Purpose Only]

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To All Concerned Parties

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Notice Concerning Commencement of Tender Offer against Pressance Corporation Co., Ltd. (Securities Code: 3254)

Open House Group Co., LTD. (the "**Tender Offeror**") announces as follows that it has resolved at its Board of Directors meeting held today to acquire the common stock (the "**Target Company's Stock**") of Pressance Corporation Co., Ltd. (as listed on the Standard Market of the Tokyo Stock Exchange (the "**Tokyo Stock Exchange**") securities code: 3254; the "**Target Company**") through a tender offer (the "**Tender Offer**") under the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended; the "**Act**").

1. Purpose of Purchase, Etc.

(1) Overview of Tender Offer

As of the date hereof, the Tender Offeror holds 44,011,372 shares of the Target Company's Stock (shareholding percentage (Note 1): 63.42%) which are listed on the Standard Market of the Tokyo Stock Exchange and the Target Company is a consolidated subsidiary of the Tender Offeror. The Tender Offeror resolved at its Board of Directors meeting held today, to conduct the Tender Offer as part of a transaction to acquire all of the Target Company's Stock (other than the Target Company's Stock owned by the Tender Offeror and treasury shares owned by the Target Company), through which the Target Company will become a wholly-owned subsidiary of the Tender Offeror (the "**Transaction**").

(Note 1) "Shareholding percentage" means the percentage (rounded to the second decimal place; the same applies hereinafter in the calculation of the shareholding percentage) of the number of the shares owned by the relevant shareholder against 69,399,889 shares, which is the number of shares obtained by deducting (x) the number of treasury shares owned by the Target Company as of September 30, 2024 (493,107 shares), as stated in the Target Company's Securities Report for its

28th Fiscal Year, filed by the Target Company on December 23, 2024 (the "**Target Company Securities Report**"), from (y) the total number of its issued shares as of September 30, 2024 (69,892,996 shares), as stated in the Target Company Securities Report. The same applies throughout this Statement.

For the Tender Offer, the Tender Offeror has set 2,255,228 shares (shareholding percentage: 3.25%) as the minimum number of shares to be purchased, and in the event that the total number of the share certificates, etc. tendered in the Tender Offer (the "**Tendered Share Certificates, Etc**.") is less than such minimum number of shares to be purchased, the Tender Offeror will not purchase any of the Tendered Share Certificates, Etc. On the other hand, as the Tender Offeror intends to make the Target Company a wholly-owned subsidiary of the Tender Offeror through the acquisition of all of the Target Company's Stock (other than the Target Company's Stock held by the Tender Offeror and the treasury shares held by the Target Company), no maximum limit to the number of shares to be purchased has been set for the Tender Offer. Therefore, if the total number of Tendered Share Certificates, Etc. is equal to or greater than the minimum number of shares to be purchased (2,255,228 shares), the Tender Offeror will purchase all of the Tendered Share Certificates, Etc. The minimum number of shares to be purchased (2,255,228 shares) is the number of shares obtained by deducting the number of the Target Company's Stock held by the Tender Offeror (44,011,372 shares) from 46,266,600 shares, which was calculated by multiplying the number of shares constituting one unit (100 shares) by the number of two-thirds (462,666; rounded up to the nearest whole number) of the voting rights (693,998 units) attaching to 69,399,889 shares, which is obtained by deducting (x) the number of treasury shares owned by the Target Company as of September 30, 2024 (493,107 shares) as stated in the Target Company Securities Report from (y) the total number of issued shares as of September 30, 2024 (69,892,996 shares) as stated in the Target Company Securities Report. While the Tender Offeror intends to make the Target Company a wholly-owned subsidiary of the Tender Offeror through the Tender Offer, a special resolution at a general meeting of the shareholders as provided in Article 309, Paragraph 2 of the Companies Act (Act No. 86 of 2005; as amended, the "**Companies Act**") is required to implement the share consolidation as described in "(4) Policy for Organizational Restructuring, Etc. After Tender Offer (Matters Concerning So-Called Two-Step Acquisition)" below. In order to ensure the implementation of the Transaction, the Tender Offeror has set the minimum number of shares to be purchased so that the Tender Offeror can satisfy the above requirement by holding no less than two-thirds of the total voting rights of all shareholders of the Target Company after the Tender Offer. As of today, the Tender Offeror owns 44,011,372 shares of the Target Company (shareholding percentage: 63.42%), and the Tender Offeror believes that setting a minimum number of shares to be purchased at a level reflecting the so-called "Majority of Minority" in the Tender Offer would destabilize the consummation of the Tender Offer, which in turn may not serve the interests of minority shareholders who wish to tender in the Tender Offer, and therefore, the Tender Offeror has not set a minimum number of shares to be purchased reflecting the so-called "Majority of Minority" in the Tender Offer. However, the Tender Offeror believes that due consideration has been given to the interests of the Target Company's minority shareholders, given that the Tender Offeror and the Target Company have taken the measures set forth in "(3) Measures to Ensure Fairness of Tender Offer Such as Measures to Ensure Fairness of Tender Offer Price and to Avoid Conflicts of Interest" below.

In the case where the Tender Offer is successfully completed but the Tender Offeror is unable to acquire all of the Target Company's Stock (other than the Target Company's Stock held by the Tender Offeror and the treasury shares held by the Target Company) through the Tender Offer, as stated in "(4) Plan for Acquisition of Share Certificates, etc. of Target Company's Stock after Tender Offer" below, the Tender Offeror plans to take, after the completion of the Tender Offer, a series of procedures (the "**Squeeze-Out Procedure**") necessary to acquire all of the Target Company's Stock (other than the Target Company's Stock held by the Tender Offeror and the treasury shares held by the Target Company) and to make the Target Company a wholly-owned subsidiary of the Tender Offeror.

The shares of the Target Company's Stock are listed on the Standard Market of the TSE today; however, depending on the results of the Tender Offer, the Target Company's Stock may be delisted after the procedures stated in "(5) Possibility of Delisting and Reasons Therefor" below are completed. In addition, if, after the completion of the Tender Offer, the Squeeze-Out Procedure set forth in "(4) Plan for Acquisition of Share Certificates, etc. of Target Company's Stock after Tender Offer" below are to be implemented, the Target Company's Stock will be delisted after such procedures are completed.

The Tender Offeror plans to procure the funds for the Transaction including the Tender Offer by its own funds and a loan up to 60,678,555,630 yen (the "Bank Loan") from Sumitomo Mitsui Banking Corp. ("SMBC"). The Tender Offeror plans to get the Bank Loan by the business day before the settlement commencement date of the Tender Offer (Note 2).

(Note 2) As evidence of the above amount, the Tender Offeror has obtained a loan certificate dated January 10, 2025 from SMBC stating that SMBC is prepared to provide a loan of up to 60,678,555,630 yen.

On the other hand, according to the "Notice Regarding Announcement of Opinion in Support of the Tender Offer by Open House Group Co., Ltd., the Controlling Shareholder, and Recommendation for our Shareholders to Tender their Shares," as disclosed by the Target Company today (the "**Target Company Press Release**"), the Target Company resolved, at the Target Company's Board of Directors meeting held today, to express its opinion to support the Tender Offer and recommend that the shareholders of the Target Company tender their shares in the Tender Offer. For details of the resolution of the Target Company's Board of Directors above, please refer to the Target Company Press Release and "f. Unanimous Approval by All of the Non-Interested Directors of the Target Company including Directors who are the members of Audit and Supervisory Committee" in "(3) Measures to Ensure Fairness of Tender Offer such as Measures to Ensure Fairness of Tender Offer Price and to Avoid Conflicts of Interest" below.

(2) Background, Purpose and Decision-Making Process Leading to Decision to Implement Tender Offer, and Management Policy After Tender Offer

a. Background, Purpose and Decision-Making Process Leading to Decision to Implement Tender Offer

The Tender Offeror was founded in September 1997 under the trade name of Open House Co., Ltd., and began a trading brokerage business for new single-family homes. In September 2013, the Tender Offeror listed its shares on the First Section of the Tokyo Stock Exchange, and in April 2022, due to the revision of the market classifications of the Tokyo Stock Exchange, the shares of the Tender Offeror were moved from the First Section to the Prime Market. On January 1, 2022, the Tender Offeror transferred its single-family homes related business and other businesses to Open House Co., Ltd. (renamed from Open House Preparatory Company Co., Ltd.), a 100% owned subsidiary of the Tender Offeror through a company split. The Tender Offeror also changed its name to Open House Group Co., LTD. and its structure was shifted to a holding company structure. The Tender Offeror consists of a corporate group (the "**Tender Offeror Group**") comprised of the Tender Offeror and 60 affiliated companies (as of today; consisting of 59 consolidated subsidiaries and 1 equity-method affiliate, excluding non-consolidated subsidiaries and non-equity method affiliated companies), and is engaged mainly in the single-family homes related business and other businesses such as condominiums business, income-producing real estate business and other related businesses, as well as, in Pressance Corporation(Note 1), a business segment operated by the Target Company, which is a consolidated subsidiary of the Tender Offeror.

In November 2023, the Tender Offeror Group formulated a "Three-Year Business Strategy (from the fiscal year ending September 30, 2024 to the fiscal year ending September 30, 2026)" with the fiscal year ending September 2026 as the final year. Under the strategy, the Tender Offeror aims to achieve a cumulative profit (net income) of 250 billion yen over the three-year period (this was revised upwards to 250-260 billion yen in November 2024), a shareholders' equity ratio of 35.0% or more, a net D/E ratio of 1.0 or less, and a cumulative investment of 500 billion yen over the three-year period. We plan to return 100 billion yen to shareholders over the three-year period, and will continue to pay stable dividends with a payout ratio of at least 20% and flexibly conduct share repurchase. In the fiscal year ending September 2024, in addition to real estate for actual demand (Note 2) consisting of detached houses and condominiums, there was continued high demand for investment real estate consisting of income-generating real estate (Note 3) and US real estate (Note 4), and the Company achieved record-high sales of 1,295.8 billion yen (an increase of 12.8% year-on-year) and record-high net income of 92.9 billion yen (an increase of 0.9% year-on-year), and its business performance is steadily progressing.

(Note 1) "Presence Corporation, a business segment" refers to the position of the Target Company within the Tender Offeror Group, where the Target Company is treated as an independent segment, rather than being incorporated into the Tender Offeror's other segments.

(Note 2) "Real estate for actual demand" refers to real estate that is purchased for the purpose of actual residence.

(Note 3) "Income-generating real estate" refers to real estate that is purchased with the aim of earning rental income by leasing it to residents or tenants.

(Note 4) "US real estate" refers to pre-owned real estate located in the US that is purchased by Japanese investors with the aim of earning rental income by leasing it to residents or capital gains on sale.

In accordance with the changes of lifestyles in Japan, including women's advancement in society since 2000 and an increase in the number of dual-income households, more people tend to seek reasonably priced houses in highly convenient urban areas. The Tender Offeror considers that even amid the declining population, the number of households in central Tokyo areas is expected to increase in the future. In light of this business environment surrounding the Tender Offeror Group, the Tender Offeror Group has, in order to continue to provide a stable and efficient supply of affordable single-family homes in central Tokyo, enhanced its product competitiveness by conducting business operations in a way that integrates production and sales through establishing a system that can complete all functions within the Tender Offeror Group from the purchase of land through to design and construction with respect to the single-family homes related business, which is the core business of the Tender Offeror Group, in addition to the brokerage function it has been offering from the time of its foundation. Furthermore, in terms of the Tender Offeror's single-family homes related business, the Tender Offeror Group has steadily increased its single-family homes market share along with high profitability and high efficiency by thoroughly implementing an "aggressive" marketing strategy that takes a pinpoint approach to customers by focusing on specific areas and by developing a dominant strategy that intensively supplies single-family homes in major urban areas, such as the Tokyo metropolitan area, the Nagoya area, the Kansai area and the Fukuoka area.

The Tender Offeror Group considers that, new needs for housing arose from an increase in the number of hours families spend in their homes and the increase in teleworking opportunities triggered by a change in environment in 2020 due to the spread of COVID-19 and that the utility value of and demand for single-family homes has expanded. Thereafter, with the change in the environment from "Zero Covid" to "With Covid," an extremely high demand for single-family homes showed a leveling-off trend, but the Tender Offeror considers that the demand for single-family homes conveniently located in central Tokyo remains strong. Even under the environment noted above, the business performance of the Tender Offeror Group have steadily progressed, driven by the single-family homes related business, which is the core business of the Tender Offeror Group. As a result, the Tender Offeror Group recorded the highest profit every fiscal year since the fiscal year ended September 2020. In the condominium business, the Offeror's consolidated subsidiary Open House Development Co., Ltd. develops and sells newly built condominiums, and in some cases, the Offeror's consolidated subsidiary Open House Architect Co., Ltd. (formerly Asakawa Home Co., Ltd.) ("**OHA**") is responsible for the construction. In particular, the Company is developing and selling compact and family-type condominiums targeting single persons and two-person households with a strong preference for condominiums in valuable locations with high convenience, centering on the urban areas of the Tokyo, Nagoya and Fukuoka areas, and sales are progressing smoothly. In addition, by limiting the number of model rooms and sales promotion materials at each construction site to the minimum necessary, the Company is working to thoroughly manage costs and is also expecting to improve its gross profit margin.

The Tender Offeror Group has been actively engaged in M&A that can realize business synergies. For example, the Tender Offeror made OHA a wholly-owned subsidiary of the Tender Offeror in January 2015, and made Hawk One Corporation ("**Hawk One**") a wholly-owned subsidiary of the Tender Offeror in

October 2018, respectively. Both OHA and Hawk One have been able to increase their revenues as a result of an increase in the number of houses ordered and other factors after becoming wholly-owned subsidiaries of the Tender Offeror. On April 6, 2020, the Tender Offeror entered into a capital and business alliance agreement (the "**Capital and Business Alliance Agreement**") with the Target Company. In May 2020, the Tender Offeror acquired 31.91% of the total voting rights of the Target Company (as of March 31, 2020) through acquisition of shares from the shareholders of the Target Company and made the Target Company an equity-method affiliate of the Tender Offeror. In January 2021, the Tender Offeror acquired additional voting rights of the Target Company to increase its holding to 64.46% of total voting rights of the Target Company (as of March 31, 2021) by a capital increase through third party allotment and a tender offer, and made the Target Company a consolidated subsidiary of the Tender Offeror. In addition, in November 2023, the Tender Offeror made MELDIA Co., Ltd. (formerly, Sanei Architecture Planning Co., Ltd.) ("**MELDIA**") the wholly-owned subsidiary of the Tender Offeror after making the company a consolidated subsidiary of the Tender Offeror in October 2023. As such, the Tender Offeror has worked to enhance the enterprise value of the entire Tender Offeror Group through M&A.

In addition, the Tender Offeror Group believes that the soundness, transparency, and objectivity of management are crucial to maximizing the enterprise value of the Tender Offeror Group, and accordingly, has positioned corporate governance as one of its key management issues, and is promoting "sustainability," which aims to contribute to the realization of a sustainable society through business activities and to achieve sustainable growth of the company, such as by launching the solar power generation business with the goal of contributing to the popularization of renewable energy as the "Open House Decarbonization Project".

On the other hand, the Target Company was established in October 1997 in Chuo-ku, Osaka City as Nikkei Prestige Co., Ltd. for the purpose of engaging in the real estate sales business, and began selling its own brand of condominiums in November 1998, and changed its trade name to Pressance Corporation in April 2002. After that, the Target Company listed its shares on the Second Section of the Tokyo Stock Exchange in December 2007, was designated as a First Section of the Tokyo Stock Exchange in October 2013, and, due to the revision of the market classifications of the Tokyo Stock Exchange, the shares of the Target Company were moved from the First Section to the Standard Market in April 2022.

The Target Company group (Note 5) consists of the Target Company and its 12 subsidiaries and 2 equity-method affiliates (as of September 30, 2024). The Target Company's main business is planning, developing, and selling one-room condominiums (i.e., condominiums for investment which are made available for rent mainly to single-person households) and family condominiums (i.e., condominiums intended for use by families) mainly in the Kansai, Tokai, Kanto and Okinawa areas. Since its foundation in October 1997, the Target Company has focused on the realization of a richer, more comfortable life for those who live in its condominiums, by consistently sticking to highly convenient locations and by providing condominiums with higher asset values. With its corporate philosophy of "Shine Light into a Corner" (Note 6) in mind, the Target Company aims to provide condominiums by making use of its unique development capabilities as an independent condominium developer handling a wide range of condominiums from urban to family-type condominiums, and has operated its business across extensive geographical areas from the Tokyo metropolitan area to Kyushu, having provided a large number of condominiums particularly in the Kinki region and the Tokai-Chukyo region.

(Note 5) "**Target Company group**" means the Target Company, its 12 subsidiaries and 2 equity-method affiliates (as of September 30, 2024).

(Note 6) "**Shine Light into a Corner**" means a philosophy that each one of us should do our very best in our own environment and should shine a light around us by working for others as well, and that this will eventually shine a light on society as a whole and will lead to the realization of peace and happiness for people around the world

The Target Company group believes that, while the population has been declining in recent years, the number of households in urban areas has been increasing as people prefer the convenience of city life. The Target Company believes that demand for sale of one-room condominiums for investment will remain strong, due to factors such as the increasing number of single-person households and the fact that real estate investment has become common in the market as a product for asset management. In addition, the Target Company believes that with regard to the sale of family condominiums, as the government's housing acquisition support program for condominiums will continue to be implemented and the demand for the family condominiums in the city center and surrounding areas will remain strong, and it will strive to accurately respond to changing customer needs and expand its business scale in the future.

On April 6, 2020, the Tender Offeror has executed the Capital and Business Alliance Agreement with the Target Company, with the aim of establishing regional complementary and product complementary relationships, etc., and maximizing the benefits for both companies and their customers, shareholders, employees, business partners, and all related parties by realizing business synergies through the integration of the management resources and management know-how of the Tender Offeror and the Target Company. In addition, in May 2020, the Tender Offeror acquired 31.91% of the total voting rights of the Target Company (as of March 31, 2020) by acquiring shares from the Target Company's shareholders, making the Target Company an equity-method affiliate of the Tender Offeror. The Tender Offeror and the Target Company have held numerous discussions in order to realize the synergies initially contemplated in the Capital and Business Alliance Agreement, by mutually providing management know-how. Subsequently, the Tender Offeror and the Target Company believe that ensuring the Target Company's credit enhancement and stabilization of financing by making the Target Company a consolidated subsidiary of the Tender Offeror, and at the same time, deepening the cooperation between both companies while respecting the independence of the Target Company's management, promote the capital and business alliance between both companies and contribute to the enhancement of the enterprise value of both companies, and on November 13, 2020, the Tender Offeror decided that it will (i) execute an agreement regarding amendments to the Capital and Business Alliance Agreement, and (ii) implement the Tender Offer of the Target Company's Stock for the purpose of ultimately making the Target Company a consolidated subsidiary of the Tender Offeror (minimum number of shares to be purchased: none, maximum number of shares to be purchased: 19,881,500 shares (Ownership percentage at the time (Note 7): 30.69%), period for purchase, etc.: from November 16, 2020 to January 14, 2021 (the "**Previous Tender Offer**")), and a third-party allotment of new shares to be allotted to the Tender Offeror (payment period: from January 15, 2021 to January 19, 2021 after the end of the tender offer period for the Previous Tender Offer, number of shares issued: 3,508,772 shares (number of voting rights: 35,087, Ownership percentage at the time: 5.42%), issue price: 1,425 yen per share, total issue price of shares to be issued: approximately 5,000 million yen) and to subscribe for all of the Target Company's Stock to be issued, subject to the satisfaction of certain conditions precedent including the completion of the Previous Tender Offer. For further information, please refer to the "Notice Concerning Execution of Agreement Concerning Amendments, etc. to Capital and Business Alliance Agreement with Pressance Corporation Co., Ltd., Commencement of Tender Offer against Pressance Corporation Co., Ltd. Shares (securities code: 3254) and Subscription of Capital Increase through Third-Party Allotment" dated November 13, 2020. The Previous Tender Offer was successfully completed with 32,634,299 shares tendered by the Target Company's shareholders, and the Tender Offeror subscribed for all shares issued in the third-party allotment and purchased 19,881,500 shares of the Target Company's Stock, the maximum number of shares to be purchased. As a result, the Tender Offeror came to own 44,011,372 shares of the Target Company's Stock (64.45% of the Target Company's total voting rights (as of March 31, 2021)) as of January 20, 2021, the settlement commencement date of the Previous Tender Offer, and the Target Company became a consolidated subsidiary of the Tender Offeror on the same date.

(Note 7) "Ownership percentage at the time" is the percentage (rounded to the third decimal place; the same applies hereinafter) of the number of shares (64,780,005 shares) obtained by deducting the number of treasury shares owned by the Target Company (556,734 shares) as of such date from the Target Company's total number of issued shares as of September 30, 2020 (65,336,739 shares); hereinafter the same.

In the Previous Tender Offer, the Tender Offeror acquired the Target Company's Stock in December 2019, following the unexpected arrest (Note 8) of a person who was the former representative director and president of the Target Company (the "**Target Company's former President and Representative Director**") on suspicion of embezzlement, and the fact that the Target Company, unlike the Tender Offeror, is mainly engaged in business development in the Kinki region and the condominium business, and is superior to the Tender Offeror in these areas and business fields, the Target Company believes that upon strengthening the capital relationship between both companies, it would be extremely important to maintain to a certain extent the unique corporate culture and management autonomy that the Target Company had thus far cultivated as an independent condominium developer and maintain an independent competitive relationship with the Tender Offeror and encourage healthy competition between the Tender Offeror and the Target Company in order to improve the motivation of the employees of the Target Company and continuously improve enterprise value and shareholder value through the sustainable development of the Target Company and it would be effective to allow both companies to deepen the cooperation between them while respecting the Target Company's autonomous management with respect to enhancing the enterprise value and the continuous improvement of shareholder value of the Tender Offeror and the Target

Company, then the Target Company has maintained its listing as a consolidated subsidiary of the Offeror instead of making it a wholly-owned subsidiary of the Offeror. Since the Previous Tender Offer, the Target Company has been working to further restore the trust of its customers, business partners, financial institutions, etc., which had been recovering since the Target Company's former President and Representative Director was arrested on suspicion of embezzlement in December 2019, and both companies have been working to the extent possible on the various measures contemplated in the Capital and Business Alliance Agreement, such as regional complementarity, product complementarity, management and administration of lease properties and properties for sale, and cost reduction, etc., while certain tangible results were achieved through these initiatives, given that both companies are listed companies with minority shareholders, there was a need for careful consideration of the potential conflict of interest that could arise from the Tender Offeror's minority shareholders being harmed by the profits that should have been obtained by the Tender Offeror being diverted to the Target Company's minority shareholders, or the Target Company's minority shareholders being harmed by the Tender Offeror obtaining profits that should have been obtained by the Target Company, and therefore, as described below, collaboration was limited in some areas.

(Note 8) The Target Company's former President and Representative Director was subsequently found not guilty in November 2021.

In the recent environment surrounding both companies, changing by the minute, driven by factors such as rising construction costs (including construction equipment, materials and labor costs), the Tender Offeror came to understand that there is room for the Target Company to aim for further sales growth and further improvement in enterprise value through measures such as strengthening its marketing capabilities to attract customers, and also came to recognize that the urgent management issue for the Target Company is to create a system that will enable it to respond in a timely and appropriate manner to changes in the external environment, including rising construction costs (including construction equipment, materials and labor costs). In the process of holding discussions on how the Tender Offeror Group should respond in a timely and appropriate manner to changes in the external environment, such as rising construction costs (including construction equipment, materials and labor costs), in mid-October 2024, from the perspective of maximizing the enterprise value of both companies, the Tender Offeror came to understand that it is essential to make the partnership between both companies even stronger, and in order to avoid conflicts of interest between the Target Company's minority shareholders and the Tender Offeror and to further promote the mutual use of management resources and the speeding up of decision-making as the Tender Offeror Group, it is difficult to execute it while maintaining the Target Company's listing, and that it is necessary to make the Target Company a wholly-owned subsidiary of the Tender Offeror. The Tender Offeror believes that the following specific synergies can be realized by making the Target Company a wholly-owned subsidiary.

(i) Active cross-selling by the sales teams of the Tender Offeror and the Target Company

The Tender Offeror and the Target Company have mutually complementary product lineups, customer attributes and regional developments. In implementing mutual utilization and cross-selling of these, there were certain restrictions due to the existence of concerns that the interests of minority shareholders of the Tender Offeror would be harmed if a portion of increased profits of the Target Company were to accrue to minority shareholders of the Target Company, and that profits that should be attributable to minority shareholders of the Target Company would accrue to the Tender Offeror due to cooperation by the Target Company with the Tender Offeror. However, after the shares of the Target Company's Stock go private through the Transaction, it will be possible to make optimal proposals tailored to customer needs and circumstances by promoting mutual utilization of these resources and active cross-selling. Specifically, it is expected to achieve product complementarity between single-family homes and condominiums, customer attribute complementarity between products for real demand and products for wealthy customers, and regional complementarity between the Kanto and Kansai regions.

(ii) Strengthening customer-attracting marketing functions

With regard to the sharing and horizontal development of know-how that has been independently refined by both the Tender Offeror and the Target Company, as mentioned above, the current relationship with the Target Company, in which there are minority shareholders, limits the mutual utilization of such know-how by the Tender Offeror and the Target Company. However, the Tender Offeror and the Target Company will aim to raise the level of both companies' customer-attracting marketing functions by realizing a situation in which both companies can utilize each other's know-how to the maximum extent possible through the Transaction. In addition, from the perspective of the optimization of the Tender Offeror Group as a whole, the Tender Offeror will actively promote investment in strengthening the marketing functions.

(iii) Mutual utilization of condominium building functions

The Tender Offeror aims to expand the business options of the Tender Offeror and the Target Company and maximize profit opportunities by promoting mutual utilization of RC construction functions of two companies, MELDIA Development & Construction CO., LTD., a consolidated subsidiary of the Target Company owned by the Target Company in the Kansai region and OHA, a consolidated subsidiary of the Tender Offeror owned by the Target Company in the Kanto region, although there were certain restrictions on such mutual utilization due to the existence of potential conflicts of interest, which would harm the interests of the minority shareholders of the Target Company by allowing profits that should be attributable to the Target Company to accrue to the Tender Offeror.

(iv) Recruitment and development of human resources

Although the Target Company is a consolidated subsidiary of the Tender Offeror, it has recruited personnel individually on the premise that it is an independent listed company. However, with the elimination of the above conflict of interest, the Target Company will be able to strengthen its collaboration in terms of personnel recruitment, and even in the midst of an expected decline in the working population, it will be able to compete with other industries in the acquisition of personnel. In addition, the Tender Offeror and the Target Company will work together to provide diverse opportunities for a wide variety of human resources through active mutual exchange of human resources within the Tender Offeror group.

(v) Promotion of information systems and SDGs-related investments

As described above, in the current relationship with the Target Company, in which there are minority shareholders, the utilization by the Target Company of the information systems owned by the Tender Offeror is necessarily limited. However, through the privatization of the Target Company's Stock, the horizontal development of the DX infrastructure, which has been actively promoted and developed by the Tender Offeror, will be possible, thereby achieving the improvement of the Target Company's productivity and the expansion of the Target Company's business opportunities. In addition, the Tender Offeror will actively promote information system and SDGs-related investments (Note 9) in the future, with a view to deploying them to the Target Company.

(Note 9) "SDG-related investments" means investments related to the promotion of initiatives aligned with the SDGs, with a focus on solar power generation.

(vi) Stabilization of financing

As mentioned above, due to the existence of potential conflicts of interest, the capital injection from the Tender Offeror to the Target Company required careful consideration. However, through the privatization of the Target Company's Stock, the Tender Offeror will stabilize further the Target Company's financing by strengthening its creditworthiness through capital injections based on flexible and prompt decision making, thereby aiming to achieve further development of the Target Company's business and ensure the sustainability of the Target Company's business in the recent environment of the condominium business, where the importance of financial strength for business expansion is increasing more than ever. The Tender Offeror will also seek to optimize financing from the perspective of group optimization, including financing through corporate bonds as an option.

(vii) Avoiding conflicts of interest and maximizing the interests of the Tender Offeror's group as a whole through the dissolution of the parent-subsidiary listing

While the Target Company is a consolidated subsidiary of the Tender Offeror today, as the Target Company is a listed company, a potential conflict of interest structure exists between the Tender Offeror and the minority shareholders of the Target Company. However, the Tender Offeror believes that the Transaction will eliminate such conflict of interest structure and enable collaboration within the Tender Offeror group to maximize profits. In addition, as the Target Company is required to comply with the listing maintenance criteria for the recent new market classifications and the Corporate Governance Code, etc., the burden on the Target Company's systems and operations to maintain listing (holding and managing general meetings of shareholders, auditing, costs required for outsourcing administrative work to the shareholder register agent, continuous disclosure such as annual securities reports, etc.) is increasing year by year. However, the Tender Offeror believes that these costs and operations can be reduced by taking the Target Company's Stock private through the Transaction.

If the Transaction is completed, the shares of the Target Company will be delisted. In general, the disadvantages associated with delisting include the inability to raise funds from the capital markets and the inability to enjoy the benefits of being a listed company, such as obtaining and maintaining social credibility and name recognition from external parties, including business partners. However, if the Transaction is completed, the Target Company, as a wholly-owned subsidiary of the Tender Offeror, which is listed on the Prime Market of the Tokyo Stock Exchange and is considered to have a high degree of social credibility and recognition, will have its credit enhanced by the Offeror, thereby enabling the Target Company to raise stable funds by borrowing from financial institutions and corporate bonds, etc., and, as such, the impact on the Target Company's fundraising is considered to be limited. In addition, the relationship of trust between the Target Company and its business partners was adversely affected by the arrest of the Target Company's former president and representative director in December 2019 on charges of professional embezzlement, but the Target Company provided detailed explanations to the financial institutions in order to improve its relationship of trust with the financial institutions, which are the most important business partners for the Target Company and also have a significant influence on the trust of other business partners. In addition, the Target Company has regained the trust of financial institutions and other business partners by providing sufficient explanations, after the Offeror first acquired the Target Company's shares in May 2020, including that the Tender Offeror had made the Target Company an equity affiliate, and the sufficient trust has already been established as a result of the acquittal of the former president and representative director of the Target Company in November 2021. Therefore, the Tender Offeror does not believe that the existing business relationships will be significantly affected by the delisting. Furthermore, the social credibility and name recognition that the Target Company has built up through its business operations to date will not be lost as a result of the delisting, and rather the Target Company's social credibility and name recognition will be further enhanced by becoming a wholly-owned subsidiary of the Tender Offeror, which is listed on the Prime Market of the Tokyo Stock Exchange. Thus, the Tender Offeror believes that the disadvantages associated with delisting will be minimal and will not outweigh the benefits of enhancing the Target Company's enterprise value expected from the realization of the above synergies.

In view of the fact that the above-mentioned synergies can be expected by deepening the cooperation with the Target Company, in order to begin full-scale consideration of the Transaction, in late October 2024, the Tender Offeror appointed SMBC Nikko Securities Inc. ("**SMBC Nikko Securities**"), a financial advisor, as its third-party valuation organization independent of the Tender Offeror Group and the Target Company group, and Nagashima Ohno & Tsunematsu, as its legal advisor independent of the Tender Offeror Group and the Target Company group, respectively. On October 24, 2024, the Tender Offeror made a request to the Target Company to commence consideration and discussion of the Transaction. Subsequently, on November 5, 2024, the Tender Offeror submitted to the Target Company a letter of intent (the "**Letter of Intent**") regarding the acquisition of all of the Target Company's Stock through the Tender Offer and the subsequent Squeeze-Out Procedures to make the Target Company a wholly-owned subsidiary. Subsequently, the Tender Offeror received a communication from the Target Company stating that it would consider the content of the proposal after establishing a necessary framework for the consideration.

In response to the submission of the above-mentioned Letter of Intent as of November 5, 2024 from the Tender Offeror to the Target Company, the Target Company, taking into account the impact on the minority shareholders of the Target Company, has started to establish a framework for the consideration in order to ensure a fair, transparent and objective decision-making process, which eliminates arbitrariness in the decision-making of the Target Company concerning the Transaction, including the Tender Offer. In particular, the Target Company has commenced preparations for the establishment of the Special Committee (defined in "b. Target Company's Decision-Making Process Leading to Decision to Consent to Tender Offer and Reasons Therefor" below; hereinafter the same) as described in "(i) Organizing Examination Process" of "b. Target Company's Decision-Making Process Leading to Decision to Consent to Tender Offer and Reasons Therefor" below, and established the Special Committee on November 7, 2024. In addition, on the same day, the Target Company appointed Mizuho Securities Co., Ltd. ("Mizuho Securities") as its financial advisor and third-party valuation organization independent of the Target Company and the Tender Offeror, and Anderson Mori & Tomotsune Gaikokuho-Kyodo-Jigyo ("Anderson Mori & Tomotsune") as its legal advisor independent of the Target Company and the Tender Offeror, respectively. Please note that, among the directors of the Target Company, Mr. Kotaro Wakatabi, who concurrently serves as a Senior Managing Director and CFO of the Tender Offeror, did not participate in any discussions or negotiations with the Tender Offeror on behalf of the Target Company since November 7, 2024, including establishing the Special Committee, in order to avoid any suspicion of conflict of interest, based on the legal advice received from Anderson Mori & Tomotsune, the Target Company's legal advisor.

After November 5, 2024, when the Tender Offeror submitted the Letter of Intent, the Tender Offeror began full-scale discussions with the Target Company with a view to implementing the Transaction. Specifically, the Tender Offeror conducted due diligence from mid-November 2024 to early December 2024 to examine the feasibility of the Transaction, and from early December 2024 began discussions regarding the various terms and conditions of the Transaction.

With respect to the offer price per share of the Target Company's Stock in the Tender Offer (the "**Tender Offer Price**"), on December 9, 2024, the Tender Offeror, taking into account the market trend of the share price of the Target Company's Stock, the business plan disclosed by the Target Company, the status of the due diligence being conducted on the Target Company, and other factors, as well as the comprehensive consideration of the calculations of the share value conducted by SMBC Nikko Securities, an independent third-party valuation organization, submitted to the Target Company and the Special Committee a proposal setting the Tender Offer Price at 2,075 yen (a price that represents the following: (i) a premium of 10.02% (round off to two decimal places; the same applies hereinafter in the calculation of a premium) on 1,886 yen, which is the closing price of the Target Company's Stock on the Standard Market of the Tokyo Stock Exchange on December 6, 2024, the business day immediately preceding the date of the proposal; (ii) a premium of 11.20% on 1,866 yen (rounded off to the nearest whole number; the same applies hereinafter in the calculation of a simple average of closing prices), which is the simple average of the closing prices of the Target Company's Stock for the past one (1) month up to the same date; (iii) a premium of 9.15% on 1,901 yen, which is the simple average of the closing prices of the Target Company's Stock for the past three (3) months up to the same date; and (iv) a premium of 8.87% on 1,906 yen, which is the simple average of the closing prices of the Target Company's Stock for the past six (6) months up to the same date, respectively). In response, on December 10, 2024, the Tender Offeror received from the Target Company a request to re-submit a higher tender offer price, based on the opinion of the Special Committee and the advice of the Target Company's advisors that the proposed Tender Offer Price was significantly below the level at which it would be possible to recommend that its shareholders tender their shares from the perspective of protecting the interests of the Target Company's minority shareholders, given that, among the results of the calculations of the value of the Target Company's Stock by the Target Company's third-party valuation organization as of the date of the proposal, the price range calculated using DCF analysis (the perpetuity method), which the Target Company places importance on, was not reached, and the level of premium in similar cases was not reached, etc.

In response to this request, on December 12, 2024, the Tender Offeror submitted to the Target Company and the Special Committee a second price proposal setting the Tender Offer Price at 2,200 yen (a price that represents the following: (i) a premium of 15.61% on 1,903 yen, which is the closing price of the Target Company's Stock on the Standard Market of the Tokyo Stock Exchange on December 11, 2024, the business day immediately preceding the date of the proposal; (ii) a premium of 18.22% on 1,861 yen, which is the simple average of the closing prices of the Target Company's Stock for the past one (1) month up to the same date; (iii) a premium of 15.61% on 1,903 yen, which is the simple average of the closing prices of the Target Company's Stock for the past three (3) months up to the same date; and (iv) a premium of 15.36% on 1,907 yen, which is the simple average of the closing prices of the Target Company's Stock for the past six (6) months up to the same date, respectively). In response, on December 16, 2024, the Tender

Offeror received from the Target Company a request to re-submit a higher tender offer price, based on the opinion of the Special Committee and the advice of the Target Company's advisors that the proposed Tender Offer Price was significantly below the level at which it would be possible to recommend that shareholders tender their shares from the perspective of protecting the interests of the Target Company's minority shareholders, given that, among the results of the calculations of the value of the Target Company's Stock by the Target Company's third-party valuation organization as of the date of the proposal, the median of the price range calculated using DCF analysis (the perpetuity method), which the Target Company places importance on, was not reached by a large margin, that the level of premium in similar cases was not reached, and that, while synergies were expected both quantitatively and qualitatively from the Transaction, it was difficult to view that the synergies to be realized through the Transaction were fully reflected, etc.

In response to such request, on December 18, 2024, the Tender Offeror submitted to the Target Company and the Special Committee a third price proposal setting the Tender Offer Price at 2,270 yen (a price that represents the following: (i) a premium of 19.35% on 1,902 yen, which is the closing price of the Target Company's Stock on the Standard Market of the Tokyo Stock Exchange on December 17, 2024, the business day immediately preceding the date of the proposal; (ii) a premium of 22.31% on 1,856 yen, which is the simple average of the closing prices of the Target Company's Stock for the past one (1) month up to the same date; (iii) a premium of 19.10% on 1,906 yen, which is the simple average of the closing prices of the Target Company's Stock for the past three (3) months up to the same date; and (iv) a premium of 18.97% on 1,908 yen, which is the simple average of the closing prices of the Target Company's Stock for the past six (6) months up to the same date, respectively). In response, taking into account the opinions of the Special Committee and the advice of the Target Company's advisors, the Tender Offeror received from the Target Company a written request to set the Tender Offer Price at 2,600 yen on December 19, 2024, as it was necessary to give further consideration to the interests of the Target Company's minority shareholders, given that, among the results of the calculations of the value of the Target Company's Stock by the Target Company's third-party valuation organization as of the date of the proposal, the median of the price range calculated using the DCF analysis (the perpetuity method), which the Target Company places importance on, was not reached, that the premium level in similar cases was not reached, and that, while synergies were expected both quantitatively and qualitatively from the Transaction, it was difficult to view that the synergies to be realized through the Transaction were fully reflected, etc.

In response to this request, on December 23, 2024, the Tender Offeror submitted to the Target Company and the Special Committee a fourth price proposal setting the Tender Offer Price at 2,320 yen (a price that represents the following: (i) a premium of 20.71% on 1,922 yen, which is the closing price of the Target Company's Stock on the Standard Market of the Tokyo Stock Exchange on December 20, 2024, the business day immediately preceding the date of the proposal; (ii) a premium of 24.00% on 1,871 yen, which is the simple average of the closing prices of the Target Company's Stock for the past one (1) month up to the same date; (iii) a premium of 21.59% on 1,908 yen, which is the simple average of the closing prices of the Target Company's Stock for the past three (3) months up to the same date; and (iv) a premium of

21.59% on 1,908 yen, which is the simple average of the closing prices of the Target Company's Stock for the past six (6) months up to the same date, respectively). In response, taking into account the opinions of the Special Committee and the advice of the Target Company's advisors, the Tender Offeror received from the Target Company a written request to set the Tender Offer Price at 2,550 yen to the Tender Offeror on December 24, 2024, as it was necessary to give further consideration to the interests of the Target Company's minority shareholders given that, among the results of the calculations of the value of the Target Company's Stock by the Target Company's third-party valuation organization as of the date of the proposal, the median of the price range calculated using the DCF analysis (the perpetuity method), which the Target Company places importance on, was not reached, that the premium level in similar cases was not reached, and that, while synergies were expected both quantitatively and qualitatively from the Transaction, it was difficult to view that the synergies to be realized through the Transaction were fully reflected, etc.

In response to this request, on January 6, 2025, the Tender Offeror submitted to the Target Company and the Special Committee a fifth price proposal setting the Tender Offer Price at 2,350 yen (a price that represents the following: (i) a premium of 17.56% on 1,999 yen, which is the closing price of the Target Company's Stock on the Standard Market of the Tokyo Stock Exchange on December 30, 2024, the business day immediately preceding the date of the proposal; (ii) a premium of 22.59% on 1,917 yen, which is the simple average of the closing prices of the Target Company's Stock for the past one (1) month up to the same date; (iii) a premium of 22.91% on 1,912 yen, which is the simple average of the closing prices of the Target Company's Stock for the past three (3) months up to the same date; and (iv) a premium of 23.04% on 1,910 yen, which is the simple average of the closing prices of the Target Company's Stock for the past six (6) months up to the same date, respectively). In response, taking into account the opinions of the Special Committee and the advice of the Target Company's advisors, the Tender Offeror received from the Target Company a written request to set the Tender Offer Price at 2,520 yen to the Tender Offeror on January 7, 2025, as the price still did not reach a price level allowing the Special Committee to recommend the shareholders to tender their shares in the Tender Offer given that, among the results of the calculations of the value of the Target Company's Stock by the Target Company's third-party valuation organization as of the date of the proposal, the median of the price range calculated using the DCF analysis (the perpetuity method), which the Target Company places importance on, was not reached, that the premium level in similar cases was not reached, and that, while synergies were expected both quantitatively and qualitatively from the Transaction, it was difficult to view that the synergies to be realized through the Transaction were fully reflected, etc.

In response to this request, on January 8, 2025, the Tender Offeror submitted to the Target Company and the Special Committee a sixth price proposal setting the Tender Offer Price at 2,370 yen (a price that represents the following: (i) a premium of 20.67% on 1,964 yen, which is the closing price of the Target Company's Stock on the Standard Market of the Tokyo Stock Exchange on January 7, 2025, the business day immediately preceding the date of the proposal; (ii) a premium of 22.35% on 1,937 yen, which is the simple average of the closing prices of the Target Company's Stock for the past one (1) month up to the same date; (iii) a premium of 24.21% on 1,908 yen, which is the simple average of the closing prices of the Target

Company’s Stock for the past three (3) months up to the same date; and (iv) a premium of 24.15% on 1,909 yen, which is the simple average of the closing prices of the Target Company’s Stock for the past six (6) months up to the same date, respectively). In response, taking into account the opinions of the Special Committee and the advice of the Target Company’s advisors, the Tender Offeror received from the Target Company a written request to set the Tender Offer Price at 2,435 yen to the Tender Offeror on January 8, 2025, as it was necessary to give further consideration to the interests of the Target Company’s minority shareholders given that the premium level in similar cases was not reached, and that, while synergies were expected both quantitatively and qualitatively from the Transaction, it was difficult to view that the synergies to be realized through the Transaction were fully reflected, etc.

In response to this request, on January 9, 2025, the Tender Offeror submitted to the Target Company and the Special Committee a seventh price proposal setting the Tender Offer Price at 2,380 yen (a price that represents the following: (i) a premium of 20.87% on 1,969 yen, which is the closing price of the Target Company’s Stock on the Standard Market of the Tokyo Stock Exchange on January 8, 2025, the business day immediately preceding the date of the proposal; (ii) a premium of 22.81% on 1,938 yen, which is the simple average of the closing prices of the Target Company’s Stock for the past one (1) month up to the same date; (iii) a premium of 1,908% on 24.74 yen, which is the simple average of the closing prices of the Target Company’s Stock for the past three (3) months up to the same date; and (iv) a premium of 24.67% on 1,909 yen, which is the simple average of the closing prices of the Target Company’s Stock for the past six (6) months up to the same date, respectively). In response, taking into account the opinions of the Special Committee and the advice of the Target Company’s advisors, the Tender Offeror received from the Target Company a written request to raise the Tender Offer Price again on January 9, 2025, as it was necessary to give consideration to the interests of the Target Company’s minority shareholders as much as possible.

In response to this request, on January 9, 2025, the Tender Offeror and the Special Committee consulted with each other, and after such consultation, the Tender Offeror submitted to the Target Company and the Special Committee an eighth price proposal setting the Tender Offer Price at 2,390 yen (a price that represents the following: (i) a premium of 21.38% on 1,969 yen, which is the closing price of the Target Company’s Stock on the Standard Market of the Tokyo Stock Exchange on January 8, 2025, the business day immediately preceding the date of the proposal; (ii) a premium of 23.32% on 1,938 yen, which is the simple average of the closing prices of the Target Company’s Stock for the past one (1) month up to the same date; (iii) a premium of 25.26% on 1,908 yen, which is the simple average of the closing prices of the Target Company’s Stock for the past three (3) months up to the same date; and (iv) a premium of 25.20% on 1,909 yen, which is the simple average of the closing prices of the Target Company’s Stock for the past six (6) months up to the same date, respectively). As a result, the Tender Offeror received written acceptance of the Tender Offeror's proposal to set the Tender Offer Price at 2,390 yen from the Target Company and the Special Committee, on the assumption that the final decision would be made by resolution at the meeting of the Target Company's Board of Directors to be held on January 10, 2025, and the Tender Offeror reached an agreement on the Tender Offer Price with the Target Company and the

Special Committee.

After these examinations and negotiations, the Tender Offeror resolved at a meeting of its board of directors held today to conduct the Tender Offer with the Tender Offer Price of 2,390 yen as part of the Transaction.

b. Target Company's Decision-Making Process Leading to the Decision to Consent to the Tender Offer and the Reasons Therefor

(i) Organizing Examination Process

On October 24, 2024, the Target Company received an offer from the Tender Offeror to commence consideration and discussion of the Transaction. Subsequently on November 5, 2024, the Target Company received a preliminary letter of intent from the Tender Offeror regarding the Transaction.

In response, taking into account the impact on the Target Company's minority shareholders, in order to eliminate the arbitrariness of the Target Company's decision-making concerning the Transaction, including the Tender Offer, and to establish a fair, transparent and objective decision-making process, on November 7, 2024, the Target Company established a special committee consisting of Mr. Yoshihiro Sakatani (Independent External Director and member of the Audit and Supervisory Committee, Certified Public Accountant), Ms. Keiko Nishioka (Independent External Director and member of the Audit and Supervisory Committee), and Mr. Toshihiro Abiko (Independent External Director and member of the Audit and Supervisory Committee) (the "**Special Committee**"). For details on the activities etc. of the Special Committee, please refer to "b. Target Company's Establishment of an Independent Special Committee and Obtaining of its Report" in "(3) Measures to Ensure Fairness of Tender Offer Such as Measures to Ensure Fairness of Tender Offer Price and to Avoid Conflicts of Interest" in "Background of Calculation" below). Also, on the same day, the Target Company appointed Mizuho Securities Co., Ltd. ("Mizuho Securities") as its financial advisor and third-party valuation organization independent from the Target Company and the Tender Offeror, and Anderson Mori & Tomotsune as its legal advisor independent from the Target Company and the Tender Offeror.

Please note that, among the directors of the Target Company, Mr. Kotaro Wakatabi, who concurrently serves as a Senior Managing Director and CFO of the Tender Offeror, did not participate in any discussions or negotiations with the Tender Offeror on behalf of the Target Company since November 7, 2024, including the establishment of the Special Committee, in order to avoid any suspicion of conflict of interest, based on the legal advice received from Anderson Mori & Tomotsune, the Target Company's legal advisor.

(ii) Background of Examination and Negotiations

The Target Company has received reports from Mizuho Securities regarding the results of the valuation of the Target Company's Stock, advice regarding its negotiation policy with the Tender Offeror, and other advice from financial perspectives, and, from Anderson Mori & Tomotsune, guidance regarding measures to ensure the fairness of the procedures for the Transaction and other legal advice, and has carefully considered the pros and cons of the Transaction and the appropriateness of the terms and conditions of the Transaction based on these inputs.

The Target Company received a request from the Tender Offeror on October 24, 2024 to commence consideration and discussion of the Transaction, and subsequently received the LOI on November 5, 2024.

After receiving the LOI, the Target Company and the Special Committee proceeded with their examination of the pros and cons of the Transaction and the appropriateness of the terms and conditions of the Transaction, and received a first price proposal letter from the Tender Offeror on December 9, 2024, setting the Tender Offer Price at 2,075 yen (a price that represents the following: (i) a premium of 10.02% on 1,886 yen, which is the closing price of the Target Company's Stock on the Standard Market of the Tokyo Stock Exchange on December 6, 2024, the business day immediately preceding the date of the proposal; (ii) a premium of 11.20% on 1,866 yen, which is the simple average of the closing prices of the Target Company's Stock for the past one (1) month up to the same date; (iii) a premium of 9.15% on 1,901 yen, which is the simple average of the closing prices of the Target Company's Stock for the past three (3) months up to the same date; and (iv) a premium of 8.87% on 1,906 yen, which is the simple average of the closing prices of the Target Company's Stock for the past six (6) months up to the same date, respectively), taking into account the market trend of the share price of the Target Company's Stock, the business plan disclosed by the Target Company, the status of the due diligence being conducted by the Tender Offeror on the Target Company, and other factors, as well as the comprehensive consideration of the calculations of the share value conducted by SMBC Nikko Securities, the independent third-party valuation institution from the Tender Offeror. In response, on December 10, 2024, based on the opinion of the Special Committee and the advice of the Target Company's advisors that the proposed Tender Offer Price was significantly below the level at which it would be possible to recommend that shareholders tender their shares from the perspective of protecting the interests of the Target Company's minority shareholders, given that, among the results of the calculations of the value of the Target Company's Stock by the Target Company's third-party valuation institution as of the date of the proposal, the price range calculated using DCF analysis (the perpetuity method), which the Target Company places importance on, was not reached, and the level of premium in similar cases was not reached, etc, the Target Company submitted a request to re-submit a higher tender offer price.

In response to this request, the Target Company and the Special Committee received a second price proposal from the Tender Offeror on December 12, 2024, setting the Tender Offer Price at 2,200 yen (a price that represents the following: (i) a premium of 15.61% on 1,903 yen, which is the closing price of the Target Company's Stock on the Standard Market of the Tokyo Stock Exchange on December 11, 2024, the business day immediately preceding the date of the proposal; (ii) a premium of 18.22% on 1,861 yen, which is the simple average of the closing prices of the Target Company's Stock for the past one (1) month up to the same date; (iii) a premium of 15.61% on 1,903 yen, which is the simple average of the closing prices of the Target Company's Stock for the past three (3) months up to the same date; and (iv) a premium of 15.36% on 1,907 yen, which is the simple average of the closing prices of the Target Company's Stock for the past six (6) months up to the same date, respectively). In response, on December 16, 2024, the Target Company submitted a request to re-submit a higher tender offer price to the Tender Offeror based on the opinion of the Special Committee and the advice of the Target Company's advisors that the proposed Tender Offer Price was significantly below the level at which it would be possible to recommend that shareholders tender their shares from the perspective of protecting the interests of the Target Company's minority shareholders, given that, among the results of the calculations of the value of the Target Company's Stock by the

Target Company's third-party valuation institution as of the date of the proposal, the median of the price range calculated using DCF analysis (the perpetuity method), which the Target Company places importance on, was not reached by a large margin, that the level of premium in similar cases was not reached, and that, while synergies were expected both quantitatively and qualitatively from the Transaction, it was difficult to view that the synergies to be realized through the Transaction were fully reflected, etc.

In response to such request, the Target Company and the Special Committee received a third price proposal from the Tender Offeror on December 18, 2024, setting the Tender Offer Price at 2,270 yen (a price that represents the following: (i) a premium of 19.35% on 1,902 yen, which is the closing price of the Target Company's Stock on the Standard Market of the Tokyo Stock Exchange on December 17, 2024, the business day immediately preceding the date of the proposal; (ii) a premium of 22.31% on 1,856 yen, which is the simple average of the closing prices of the Target Company's Stock for the past one (1) month up to the same date; (iii) a premium of 19.10% on 1,906 yen, which is the simple average of the closing prices of the Target Company's Stock for the past three (3) months up to the same date; and (iv) a premium of 18.97% on 1,908 yen, which is the simple average of the closing prices of the Target Company's Stock for the past six (6) months up to the same date, respectively). In response, taking into account the opinions of the Special Committee and the advice of the Target Company's advisors, the Target Company returned a written request to set the Tender Offer Price at 2,600 yen to the Tender Offeror on December 19, 2024, as it was necessary to give further consideration to the interests of the Target Company's minority shareholders, given that, among the results of the calculations of the value of the Target Company's Stock by the Target Company's third-party valuation institution as of the date of the proposal, the median of the price range calculated using the DCF analysis (the perpetuity method), which the Target Company places importance on, was not reached, that the premium level in similar cases was not reached, and that, while synergies were expected both quantitatively and qualitatively from the Transaction, it was difficult to view that the synergies to be realized through the Transaction were fully reflected, etc.

In response to this request, the Target Company and the Special Committee received a fourth price proposal from the Tender Offeror on December 23, 2024, setting the Tender Offer Price at 2,320 yen (a price that represents the following: (i) a premium of 20.71% on 1,922 yen, which is the closing price of the Target Company's Stock on the Standard Market of the Tokyo Stock Exchange on December 20, 2024, the business day immediately preceding the date of the proposal; (ii) a premium of 24.00% on 1,871 yen, which is the simple average of the closing prices of the Target Company's Stock for the past one (1) month up to the same date; (iii) a premium of 21.59% on 1,908 yen, which is the simple average of the closing prices of the Target Company's Stock for the past three (3) months up to the same date; and (iv) a premium of 21.59% on 1,908 yen, which is the simple average of the closing prices of the Target Company's Stock for the past six (6) months up to the same date, respectively). In response, taking into account the opinions of the Special Committee and the advice of the Target Company's advisors, the Target Company submitted a written request to set the Tender Offer Price at 2,550 yen to the Tender Offeror on December 24, 2024, as it was necessary to give further consideration to the interests of the Target Company's minority shareholders given that, among the results of the calculations of the value of the Target Company's Stock by the Target Company's third-party valuation institution as of the date of the proposal, the median of the price range calculated using the DCF analysis (the perpetuity method), which the Target Company places importance on, was not reached, that the premium level in similar cases was not reached, and that, while synergies were expected both quantitatively and qualitatively from the Transaction, it was difficult to view that the synergies to be realized through the Transaction were fully reflected, etc.

In response to this request, the Target Company and the Special Committee received a fifth price proposal from the Tender Offeror on January 6, 2025, setting the Tender Offer Price at 2,350 yen (a price that represents the following: (i) a premium of 17.56% on 1,999 yen, which is the closing price of the Target Company's Stock on the Standard Market of the Tokyo Stock Exchange on December 30, 2024, the business day immediately preceding the date of the proposal; (ii) a premium of 22.59% on 1,917 yen, which is the simple average of the closing prices of the Target Company's Stock for the past one (1) month up to the same date; (iii) a premium of 22.91% on 1,912 yen, which is the simple average of the closing prices of the Target Company's Stock for the past three (3) months up to the same date; and (iv) a premium of 23.04% on 1,910 yen, which is the simple average of the closing prices of the Target Company's Stock for the past six (6) months up to the same date, respectively). In response, taking into account the opinions of the Special Committee and the advice of the Target Company's advisors, the Target Company submitted a written request to set the Tender Offer Price at 2,520 yen to the Tender Offeror on January 7, 2025, as the price still did not reach a price level allowing the Special Committee to recommend the shareholders to tender their shares in the Tender Offer given that, among the results of the calculations of the value of the Target Company's Stock by the Target Company's third-party valuation institution as of the date of the proposal, the median of the price range calculated using the DCF analysis (the perpetuity method), which the Target Company places importance on, was not reached, that the premium level in similar cases was not reached, and that, while synergies were expected both quantitatively and qualitatively from the Transaction, it was difficult to view that the synergies to be realized through the Transaction were fully reflected, etc.

In response to this request, the Target Company and the Special Committee received a sixth price proposal from the Tender Offeror on January 8, 2025, setting the Tender Offer Price at 2,370 yen (a price that represents the following: (i) a premium of 20.67% on 1,964 yen, which is the closing price of the Target Company's Stock on the Standard Market of the Tokyo Stock Exchange on January 7, 2025, the business day immediately preceding the date of the proposal; (ii) a premium of 22.35% on 1,937 yen, which is the simple average of the closing prices of the Target Company's Stock for the past one (1) month up to the same date; (iii) a premium of 24.21% on 1,908 yen, which is the simple average of the closing prices of the Target Company's Stock for the past three (3) months up to the same date; and (iv) a premium of 24.15% on 1,909 yen, which is the simple average of the closing prices of the Target Company's Stock for the past six (6) months up to the same date, respectively). In response, taking into account the opinions of the Special Committee and the advice of the Target Company's advisors, the Target Company submitted a written request to set the Tender Offer Price at 2,435 yen to the Tender Offeror on January 8, 2025, as it was necessary to give consideration to the interests of the Target Company's minority shareholders as much as possible, given that the premium level in similar cases was not reached, and that, while synergies were expected both quantitatively and qualitatively from the Transaction, it was difficult to view that the synergies to be realized through the Transaction were fully reflected, etc.

In response to this request, the Target Company and the Special Committee received a seventh price proposal from the Tender Offeror on January 9, 2025, setting the Tender Offer Price at 2,380 yen (a price that represents the following: (i) a premium of 20.87% on 1,969 yen, which is the closing price of the Target Company's Stock on the Standard Market of the Tokyo Stock Exchange on January 8, 2025, the business day immediately preceding the date of the proposal; (ii) a premium of 22.81% on 1,938 yen, which is the simple average of the closing prices of the Target Company's Stock for the past one (1) month up to the same date; (iii) a premium of 24.74% on 1,908 yen, which is the simple average of the closing prices of the Target Company's Stock for the past three (3) months up to the same date; and (iv) a premium of 24.67% on 1,909 yen, which is the simple average of the closing prices of the Target Company's Stock for the past six (6) months up to the same date, respectively). In response, taking into account the opinions of the Special Committee and the advice of the Target Company's advisors, the Target Company submitted again a written request to raise the Tender Offer Price on January 9, 2025, as it was necessary to give consideration to the interests of the Target Company's minority shareholders as much as possible.

In response to this request, the Target Company and the Special Committee received a eighth price proposal from the Tender Offeror on the same day setting the Tender Offer Price at 2,390 yen (a price that represents the following: (i) a premium of 23.32% on 1,969 yen, which is the closing price of the Target Company's Stock on the Standard Market of the Tokyo Stock Exchange on January 8, 2025, the business day immediately preceding the date of the proposal; (ii) a premium of 22.81% on 1,938 yen, which is the simple average of the closing prices of the Target Company's Stock for the past one (1) month up to the same date; (iii) a premium of 25.26% on 1,908 yen, which is the simple average of the closing prices of the Target Company's Stock for the past three (3) months up to the same date; and (iv) a premium of 25.20% on 1,909 yen, which is the simple average of the closing prices of the Target Company's Stock for the past six (6) months up to the same date, respectively).

After careful discussion including with the members of the Special Committee, following the final proposal from the Tender Offeror, the Target Company accepted the Tender Offeror's final proposal on condition that the final decision will be made by a resolution at the meeting of the Target Company's Board of Directors to be held on January 10 of the same year on January 9, 2025 and submitted a document to the effect that it would accept the Tender Offeror's final proposal setting the Tender Offer Price at 2,390 yen, and thus an agreement was reached with the Tender Offeror regarding the Tender Offer Price.

(iii) Details of decision-making

Based on the process described above, in light of the advice from financial perspectives from Mizuho Securities and the stock valuation report submitted on January 9, 2025 (the "**Valuation Report (Mizuho Securities)**"), and the legal advice obtained from Anderson Mori & Tomotsune, and fully respecting the content of the report submitted on January 9, 2025 from the Special Committee (the "**Report**"), the Target Company conducted careful discussion and deliberations at the Board of Directors meeting of the Target Company held today from viewpoints such as whether the enterprise value of the Target Company will be increased through the Tender Offer and whether the interests which the minority shareholders should receive are ensured through fair procedures in the Tender Offer.

As a result, the Target Company came to recognize that the realization of synergies such as (i) active cross-selling by the sales teams of the Tender Offeror and the Target Company, (ii) strengthening customer-attracting marketing functions, (iii) mutual utilization of condominium building functions, (iv) recruitment and development of human resources, (v) promotion of information systems and SDGs-related investments, (vi) stabilization of financing and (vii) avoiding conflicts of interest and maximizing the interests of the Tender Offeror's group as a whole through the dissolution of the parent-subsidiary listing described in “a. Background, Purpose and Decision-Making Process Leading to Decision to Implement Tender Offer” can be expected by consolidating the management resources of the Tender Offeror and the Target Company and by utilizing their business know-how, etc., in which the Tender Offeror and Target Company have strengths, and that the integration of the Tender Offeror and the Target company by the Transaction including the Tender Offer and pursuing the realization of the synergies through implementation of business operations as early as possible with a sense of speed will contribute to increasing the enterprise value of the Target Company.

According to the Target Company, in general, the disadvantages of privatization of a company includes forfeiting the ability to raise funds by equity financing in capital markets as well as such benefits the company has been able to enjoy as a listed company including enhancing its popularity and social credibility. However, the Target Company believes such disadvantages of the delisting of the Target Company’s Stock are limited since in light of the current financial standings of the Target Company and the recent low interest rate environment in indirect finance, etc., it is possible to procure funds by the Company’s own funds and loan from financial institutions, and regarding the enhancement of popularity and social credibility, the Tender Offeror and the Target Company have already established a certain level of popularity in the industry.

In addition, in light of various factors such as the following points, the Target Company determined that the Tender Offer Price of 2,390 yen per share is an appropriate price to secure the interests the minority shareholders of the Target Company should receive and the Tender Offer provides the minority shareholders of the Target Company with an opportunity to sell the Target Company’s Stock at a reasonable price.

(a) The Tender Offer Price was determined after the Target Company took sufficient measures to ensure the fairness of the terms and conditions of the Transaction, including the Tender Offer Price, and was agreed upon as a result of the Target Company and the Tender Offeror negotiating sufficiently with each other, as stated in “(3) Measures to Ensure Fairness of Tender Offer Such as Measures to Ensure Fairness of Tender Offer Price and to Avoid Conflicts of Interest” below.

(b) The Tender Offer Price is determined to be appropriate based on the Report, which was obtained from the Special Committee, as stated in “b. Target Company’s Establishment of an Independent Special Committee and Obtaining of its Report” in “(3) Measures to Ensure Fairness of Tender Offer Such as Measures to Ensure Fairness of Tender Offer Price and to Avoid Conflicts of Interest” below.

(c) The Tender Offer Price represents a 21.81% premium over the closing price of the Target Company Shares on the Standard Market of the TSE on January 9, 2025, the business day immediately preceding the publication date of the implementation of the Tender Offer (1,962 yen), a 23.13% premium over the simple average closing prices for the one (1) month preceding such date (1,941 yen), a 25.26% premium over the simple average closing prices for the three (3) months preceding such date (1,908 yen), and a 25.20% premium over the simple average closing prices for the six (6) months preceding such date (1,909 yen), and is above 2,171 yen, which is the highest share price of the Target Company marked since its initial listing (the highest price during trading hours on January 13, 2022).

(d) Based on the calculation results in the Valuation Report (Mizuho Securities), the Tender Offer Price is higher than the upper limit of the range based on the market share price analysis and is higher than the medians of the comparable listed company analysis and DCF analysis, as stated in "d. Target Company's Obtaining of Share Valuation Report from an Independent Financial Advisor and Third-Party Valuation Institution" in "(3) Measures to Ensure Fairness of Tender Offer Such as Measures to Ensure Fairness of Tender Offer Price and to Avoid Conflicts of Interest" below.

(e) After such measures have been taken, the price has been raised from the initial proposal price of 2,075 yen by the Tender Offeror through sincere negotiations with the Tender Offeror with the substantial, and, when necessary, direct, involvement of the Special Committee, which is independent of the Target Company and the Tender Offeror.

(f) Although the Tender Offer Price is below (representing a 14.83% discount) the Target Company's consolidated net asset value per share (2,806 yen), calculated by dividing the book value of the Target Company's net assets after deducting non-controlling interests as of September 30, 2024 (194,750 million yen) by the number of the Target Company's issued stock other than treasury shares as of such date (69,399,889 shares), the consolidated book value of the net assets is only an indication of the theoretical liquidation value and does not reflect the future profitability of the Target Company, and therefore, it is not reasonable to place importance on it in the calculation of the share value of the Target Company as a going concern. In addition, it is difficult to adopt the idea that the consolidated book value per share is the minimum fair value of the shares of the Target Company's Stock because, if the Target Company were to liquidate, the amount available for distribution to the shareholders of the Target Company would be considerably impaired from the consolidated book value of net assets (as liquidation is not planned by the Target Company, the Target Company has not confirmed any estimate of liquidation costs and losses through specific studies) because the consolidated book value of net assets would not be converted at the same amount due to the possible significant depreciation of the sale price of real estate for sale and real estate for sale in progress that is expected to be sold immediately or in the near future (specifically, 23,867 million yen and 162,215 million yen, respectively, are recorded as real estate for sale and real estate for sale in progress on the Company's balance sheet as of September 30, 2024), which will be disposed of in bulk or sold to other companies, the possible difficulties in selling assets, especially illiquid assets held by the Target Company and various expenses (e.g., expenses related to the sale of land and buildings, extra retirement payments to employees, real estate appraisal fees, building demolition fees, attorney fees and other professionals for business liquidation).

Based on the above, the Target Company has determined that the Transaction, including the Tender Offer, will contribute to the enhancement of the Target Company's enterprise value, and that the terms and conditions of the Transaction, including the Tender Offer Price, are reasonable. The Tender Offeror resolved at its Board of Directors meeting held today, to express its opinion to support the Tender Offer and recommend that the Target

Company’s shareholders tender their shares in the Tender Offer.

As stated in “(i) Organizing Examination Process” above, Kotaro Wakatabi, a director of the Target Company, also serves as the Senior Managing Director, CFO of the Tender Offeror. Therefore, from the perspective of avoiding the appearance of a conflict of interests, he did not participate in the discussions and resolutions regarding the Tender Offer at the aforementioned meeting of the Target Company’s Board of Directors, and he also did not participate in the discussions and negotiations with the Tender Offeror from the Target Company’s perspective.

For details of the resolution of the Target Company’s Board of Directors, please refer to “f. Unanimous Approval by All of the Non-Interested Directors of the Target Company including Directors who are the members of Audit and Supervisory Committee” in “(3) Measures to Ensure Fairness of Tender Offer Such as Measures to Ensure Fairness of Tender Offer Price and to Avoid Conflicts of Interest” below.

c. Management Policy after the Tender Offer

As of today, Mr. Kotaro Wakatabi, a director of the Tender Offeror, concurrently serves as a director of the Target Company, but no decisions have been made regarding the management framework of the Target Company after the Tender Offer is completed, which will be discussed in good faith with the Target Company after the settlement of the Tender Offer. Regarding the management policy after the completion of the Tender Offer, the Tender Offeror intends to take measures to realize the various synergies largely described in “a. Background, Purpose and Decision-Making Process Leading to Decision to Implement Tender Offer” above, as concrete measures of the management strategy to enhance the Target Company’s enterprise value. However, the Tender Offeror plans to determine the details and methods of such measures in consultation with the Target Company.

The Tender Offeror’s basic policy is to maintain the employment of the Target Company's employees after the Transaction and not to change their employment conditions to their disadvantage.

(3) Measures to Ensure Fairness of Tender Offer such as Measures to Ensure Fairness of Tender Offer Price and to Avoid Conflicts of Interest

In consideration of the fact that the Target Company is the Tender Offeror’s consolidated subsidiary and the Transaction including the Tender Offer is a significant Transaction, etc. with a controlling shareholder, and the Transaction falls under a transaction that typically involves structural conflict of interests with minority shareholders and asymmetry of information, the Tender Offeror and the Target Company have implemented the following measures as “Measures to Ensure Fairness of Tender Offer Such as Measures to Ensure Fairness of Tender Offer Price and to Avoid Conflicts of Interest.”

The statements concerning the measures implemented by the Target Company are based on the Target Company Press Release and explanations received from the Target Company.

As of today, the Tender Offeror holds 44,011,372 shares of the Target Company's Stock (shareholding Percentage: 63.42%) as described in "(1) Overview of Tender Offer" above. Therefore, the Tender Offeror has not set a minimum number of shares to be purchased by a so-called "Majority of Minority" ("MoM") through the Tender Offer given the possibility that setting such number would make the successful completion of the Tender Offer become uncertain and that, in practice, would not contribute to the interests of minority shareholders who wish to tender their shares in the Tender Offer. However, since the Tender Offeror and the Target Company have implemented the following measures a. to h., the Tender Offeror is of the view that the interests of the Target Company's minority shareholders have been fully considered.

a. Obtaining of the Share Valuation Report from an Independent Third-party Valuation Institution by Tender Offeror

The Tender Offeror requested SMBC Nikko Securities, the Target Company's financial advisor, as a third-party valuation organization independent from the Tender Offeror Group and the Target Company group, to calculate the share value of the Target Company's Stock for determining the Tender Offer Price and obtained Share Valuation Report dated as of January 9, 2025. For details, please refer to "a. Basis of Calculation" of "(4) Basis of Calculation, Etc. of Price for Purchase" in "2. Outline of Purchase" below.

b. Target Company's Establishment of an Independent Special Committee and Obtaining of its Report

As stated in "(i) Organizing Examination Process" in "b. Target Company's Decision-Making Process Leading to Decision to Consent to Tender Offer and Reasons Therefor" in "(2) Background, Purpose and Decision-Making Process Leading to Decision to implement Tender Offer, and Management Policy After Tender Offer" above, on November 7, 2024, the Target Company established the Special Committee with respect to the Transaction including the Tender Offer. The Special Committee was established for the purpose of eliminating arbitrariness in the Target Company's decision-making and establishing a decision-making process that is fair, transparent, and objective, from the perspective of enhancing enterprise value and the interests of minority shareholders. The Special Committee consists of Mr. Yoshihiro Sakatani (Independent External Director and member of the Audit and Supervisory Committee, Certified Public Accountant), Ms. Keiko Nishioka (Independent External Director and member of the Audit and Supervisory Committee), and Mr. Toshihiro Abiko (Independent External Director and member of the Audit and Supervisory Committee), who are independent of the Target Company and the Tender Offeror-related parties. The members of the Special Committee have not changed since the formation of the committee. Mr. Yoshihiro Sakatani was selected as the chair of the Special Committee by mutual election of the members of the Special Committee. The remuneration for the members of the Special Committee for their services is calculated based on the number of meetings they attend, regardless of the content of their report, and does not include any bonus contingent upon the results of their activities.
The Target Company's Board of Directors consulted the Special Committee on November 13, 2024 regarding the contents of the opinions to be expressed by the Target Company, with respect to each of the following items (hereinafter the "**Consultation Matters**"): (i) whether the purpose of the Transaction is legitimate (including whether the Transaction contributes to the enhancement of the Target Company's enterprise value); (ii) whether

the fairness and appropriateness of the terms of the Transaction (including the Tender Offer Price) have been ensured; (iii) whether sufficient consideration has been given to the interests of the Target Company's shareholders through fair procedures in the Transaction; (iv) whether, in addition to the above (i) through (iii), the Transaction is not disadvantageous to the Target Company's minority shareholders; and (v) whether it is appropriate for the Target Company's Board of Directors to express an opinion in support of the Tender Offer and recommend that the Target Company's shareholders tender their shares.

In addition, the Target Company's Board of Directors resolved the following matters when consulting with the Special Committee: (a) in addition to the Special Committee itself being able to negotiate with the Tender Offeror, even if negotiations with the Tender Offeror are conducted by officers and employees of the Target Company, or its financial advisors, legal advisors, or other experts (the "**Advisors**"), the Special Committee can substantially influence the negotiation process regarding the terms of the Transaction by receiving reports on the progress in a timely manner, expressing opinions at important junctures, and providing instructions and requests, etc.; (b) the Special Committee may appoint its own Advisors as necessary (in which case the Target Company shall bear the costs) or may utilize the Advisors appointed by the Target Company (which Advisors must have been nominated or approved (including by an ex-post facto approval) by the Special Committee) if it determines that the Target Company can rely on and seek expert advice from such Advisors; and (c) the Special Committee is authorized to request the officers and employees of the Target Company and its Advisors to collect any and all information necessary to prepare the Report.

The Special Committee met a total of 12 times for a total of approximately 14.5 hours between November 13, 2024 and January 9, 2025. In addition, between the dates of each meeting, the Special Committee received reports, shared information, deliberated and made decisions as necessary via email, etc., and discussed and examined the Consultation Matters.

The Special Committee has confirmed that Mizuho Securities, the Target Company's financial advisor and third-party valuation institution, has no issues with its independence or expertise, and has approved its appointment.

The Special Committee also confirmed that Anderson Mori & Tomotsune, the legal advisor to the Target Company, does not constitute a related party of the Target Company or any Tender Offeror-related parties, and does not have any material interest in the Transaction, including the Tender Offer, and thereupon approved its appointment.

In addition, after confirming that it maintains the ability to receive its own external advisors' advice if it becomes necessary, the Special Committee decided not to appoint its own external advisors, and, as described in "e. Establishment of Independent Review Structures within the Target Company" below, confirmed that there were no issues with the independence and fairness of the structure for revieing the Transaction that the Target Company had established within the company.

Subsequently, the Special Committee (i) presented questions to the Target Company, and conducted Q&A sessions in an interview format with the Target Company regarding the purpose and background of the Transaction, management policies after the Transaction, etc., and (ii) presented questions to the Tender Offeror at a separate meeting, and conducted a Q&A session in an interview format with the Tender Offeror regarding the purpose and background of the Transaction, management policies after the Transaction, etc.

The Special Committee collected and examined various materials submitted by the Tender Offeror and the Target Company, as well as other necessary information and materials, and received explanations regarding overview of

the process of selecting the Tender Offeror, confirmation of the selection method and selection procedures, background, content, significance and purpose of the Transaction including the Tender Offer, impact on the Target Company’s enterprise value, relationship between the Tender Offeror related parties, independence of each advisor, reasonableness of the Tender Offer Price valuation methods, the appropriateness of the underlying assumptions of the analyses, the absence of any undue interference from interested parties, the Target Company's situation, the appropriateness of the Target Company’s process by which it reached its decision-making and the preceding deliberation process, the appropriateness of relevant disclosures and such other matters relating to the Transaction from the Target Company, Mizuho Securities (the Target Company’s financial advisor), and Anderson Mori & Tomotsune (the Target Company’s legal advisor), and held Q&A sessions.
In addition, the Special Committee received an explanation of the Target Company’s business plan from the Target Company’s officers and employees, and after asking questions and receiving responses to such questions, it confirmed the rationality of the business plan.

The Special Committee deliberated and discussed the Target Company’s negotiation policy, including conducting sufficient negotiations in line with the general negotiation process that takes place in M&A transactions between mutually independent third parties, in order to obtain a higher price from the Tender Offeror, based on the financial advice received from Mizuho Securities.
Since December 9, 2024, when the Special Committee received the Tender Offeror’s first proposal to set the tender offer price at 2,075 yen per share, each time the Special Committee received a proposal from the Tender Offeror regarding the tender offer price, it deliberated and examined its negotiation policy with the Tender Offeror, taking into account the financial advice received from Mizuho Securities, and then communicated directly with the Tender Offeror in writing, and as a result of such process, on January 9, 2025, received a final proposal from the Tender Offeror to set the tender offer price at 2,390 yen per share.
The Special Committee, after deliberating on the Consultation Matters, submitted a report to the Target Company’s Board of Directors on January 9, 2025, the summary of which is as set forth below.

A. Content of the Report

(A) The Transaction contributes to the enhancement of enterprise value, and its purpose is legitimate.

(B) The fairness and appropriateness of the terms and conditions of the Transaction (including the tender offer price) are confirmed to be ensured.

(C) It is confirmed that, in the Transaction, sufficient consideration has been given to the interests of the minority shareholders of the Target Company through a fair procedure.

(D) In addition to (A) through (C) above, the Transaction (including any decision by the Target Company’s Board of Directors in connection with the Transaction) is not disadvantageous to the minority shareholders of the Target Company.

(E) It is appropriate and is not disadvantageous to the minority shareholders for the Target Company’s Board of Directors to express an opinion in support of the Tender Offer and recommending that the Target Company’s shareholders tender their shares in the Tender Offer.

B. Reasons for Reaching the Above Conclusions

(A) Opinion on the First Consultation Matter (whether the purpose of the Transaction is legitimate (including whether the Transaction contributes to the enhancement of the Target Company's enterprise value))

Based on the following points, the synergy expected from the Transaction is reasonable, there is no contradiction or inconsistency between the Tender Offeror's assumptions and the Target Company's assumptions, and the execution of the Transaction will contribute to solving the business challenges recognized by the Target Company.

In addition, the reasons given as to why the Transaction should be executed instead of other methods, such as a business alliance, were also reasonable, and therefore the Transaction is an appropriate measure to take.

Further, there are no circumstance that would be a significant obstacle to the improvement of the Target Company's enterprise value by the Transaction. Therefore, the Transaction contributes to the improvement of enterprise value, and the purpose of the Transaction is legitimate.

(a) In recent years, while the population has been declining, the number of households living in urban areas has been increasing as they seek the convenience of urban living, etc. Demand for investment-type studio apartments for sale is expected to remain strong, as the number of single households has been increasing and real estate investment has taken root in the market as an asset management product. In addition, the government's ongoing home acquisition support program for family condominium sales is continuing, and demand for family condominiums in urban and its surrounding areas is expected to remain strong. Under these circumstances, the Target Company Group is striving to expand the scale of its business by accurately responding to changing customer needs. However, the market environment remains challenging due to rising land prices and soaring construction costs. On the other hand, the Target Company Group is facing a declining supply of properties in the business areas where it operates, including those of its competitors. As a result, the supply-demand balance has remained at a favorable level, and the Target Company has been able to pass on the increasing costs to selling prices. The Target Company Group's procurement and sales capabilities have allowed it to maintain a relatively strong position in the area. The Target Company Group recognizes that one of its most urgent management issues is the improvement of information security, and it also recognizes that one of the business challenges it expects to face in the future is the improvement of profitability. Information security is an issue not only for the industry but also for the society as a whole. The Target Company, which handles a large amount of personal information, recognizes the need for appropriate and effective measures to prevent information leaks, especially from within the company. With regard to improving profit margins, the industry as a whole has seen a marked rise in land prices, construction costs, and labor costs, and we recognize that measures to improve profit margins are required. There is nothing inconsistent or clearly contrary to objective facts in the above recognition of the business environment and business challenges by the Target Company. Therefore, taking measures (including but not limited to an M&A transaction) that contribute to resolving the above business environment and business challenges should, in general, contribute to improving the enterprise value of the Target Company, although it is necessary to consider the risks and disadvantages associated with such measures individually.

(b) According to the Tender Offeror, the synergies of the Transaction that the Tender Offeror envisages are (i) active cross-selling by the sales teams of the Tender Offeror and the Target Company, (ii) strengthening customer-attracting marketing functions, (iii) mutual utilization of condominium building functions, (iv) recruitment and development of human resources, (v) promotion of information systems and SDGs-related investments, (vi) stabilization of financing and (vii) avoiding conflicts of interest and maximizing the interests of the Tender Offeror's group as a whole through the dissolution of the parent-subsidiary listing. On the other hand, the synergies of the Transaction envisaged by the Target Company are (i) active cross-selling by the sales teams of the Tender Offeror and the Target Company, (ii) strengthening customer-attracting marketing functions, (iii) mutual utilization of condominium building functions, (iv) recruitment and development of human resources, (v) promotion of information systems and SDGs-related investments, (vi) stabilization of financing and (vii) avoiding conflicts of interest and maximizing the interests of the Tender Offeror's group as a whole through the dissolution of the parent-subsidiary listing. The above-mentioned synergies are considered to be reasonable, as there are no points of contradiction or points that are clearly contrary to objective facts. In addition, the synergies envisioned by the Tender Offeror and the Target Company are consistent, and there are no points of contradiction or discrepancy.

(c) According to the Tender Offeror, based on the current capital relationship, it has worked with the Target Company to the extent possible on regional complementarity, product complementarity, management of rental and condominium properties, cost reduction, etc. While these initiatives have achieved certain tangible results, it has been explained that, as both companies are listed companies with minority shareholders, collaboration has been limited in some areas due to the need to give careful consideration of potential conflicts of interest such as the risk that the Tender Offeror's minority shareholders will be harmed by the profits that should have been obtained by the Tender Offeror being diverted to the minority shareholders of the Target Company and/or the risk that minority shareholders of the Target Company will be harmed by the Tender Offeror obtaining profits that should have been obtained by the Target Company. In addition, in the views of the Tender Offeror, in order for the Tender Offeror Group to respond in a timely and appropriate manner to changes in the external environment, such as increases in construction costs including construction equipment, materials and labor costs, it is essential to further strengthen the cooperation between the Tender Offeror and the Target Company from the perspective of maximizing the corporate value of both companies, and in order to avoid conflicts of interest between the minority shareholders of the Target Company and the Tender Offeror, and to further promote mutual utilization of management resources and to speed up decision-making as the Tender Offeror Group, it is difficult to achieve these goals while maintaining the Target Company’s listing, and it is essential to make the Target Company a wholly-owned subsidiary of the Tender Offeror. In addition, a “share exchange” can be considered to be a “reorganization structure with share consideration.” However, for the following reasons, the Tender Offeror believes that cash consideration is preferable from the perspective of taking into account the interests of the Target Company’s minority shareholders and the Tender Offeror’s shareholders: (i) A share exchange, in which shares are used as consideration, is a transaction in which the economic terms per share are difficult for minority shareholders to understand, because the economic terms are expressed in terms of the share exchange ratio and the market share price of the Tender Offeror, which is the consideration to be delivered, also differs from day to day. In addition, depending on the subsequent share price performance of the shares of the Tender Offeror delivered to the shareholders of the Target Company, the shareholders of the Target Company may not be able to enjoy the benefits of the share exchange. Furthermore, the share exchange will result in a dilution of the voting rights of the shares held by the shareholders of the Tender Offeror. (ii) In addition to the ease of understanding that comes from the fact that the economic terms of a tender offer are presented as a fixed amount rather than a ratio, the fact that the Target Company is obliged to express its opinion on the Tender Offer also provides minority shareholders with an opportunity to properly consider and decide on the economic terms of the Transaction, including the Tender Offer, and thereby ensures the fairness of the transaction.

In light of the above, the decision to seek solutions to management issues through the Transaction, rather than through other methods, is reasonable.

(d) The disadvantages of the Transaction for the Target Company include the inability to raise capital through equity financing from the capital markets and the inability to enjoy the benefits of being a publicly traded company, such as increased popularity and social credibility. However, considering the Target Company's current financial condition and the recent low interest rate environment for indirect financing, the Target Company believes that it will be able to secure financing through its own funds and borrowings from financial institutions, and that the impact on its financing will be limited. In addition, the Tender Offeror and the Target Company have already established a certain degree of trust between the Target Company and its business partners, and it is unlikely that the delisting will cause a significant loss of existing business relationships. The Tender Offeror and the Target Company have already established a certain level of social credibility and popularity within the industry, and it is not expected that these will be lost as a result of the delisting. The Target Company believes that the disadvantages of delisting will be minimal and will not outweigh the advantages of the Target Company's increased enterprise value expected from the realization of the above synergies, given that the Target Company's social credibility and popularity are expected to be further enhanced by becoming a wholly owned subsidiary of the Tender Offeror, which is listed on the Tokyo Stock Exchange Prime Market and by realizing the above synergies.

(e) It should also be considered whether any of the following is anticipated with respect to the Target Company: (i) whether or not there will be any reorganization, disposal or acquisition of material assets (including any M&A transaction) or dissolution of subsidiaries or discontinuation of business after the Transaction; (ii) whether or not there will be any workforce reduction after the Transaction and any adverse effect on existing employees; (iii) whether or not there will be any adverse effect on financing and hiring of personnel as a result of the Transaction; and (iv) whether any conduct is contemplated that may reduce the enterprise value of the Target Company, such as adverse effects on the relationships between the Target Company and its customers, suppliers, and other business partners after the Transaction. The following items have been confirmed with respect to each of these points, and there are no circumstances that we recognize as significant obstacles to the Transaction's enhancement of the Target Company's enterprise value.

i) There is no specific plan of reorganization or disposal or transfer of material assets after the Transaction, and there is no decided policy for reorganization of the Target Company Group companies.

ii) After the Transaction, it is expected that the Target Company will continue to maintain the treatment of its employees. After the Transaction, the Target Company and the Tender Offeror plan to discuss and consider specific personnel policies through PMI and other means.

iii) The Tender Offeror expects to use its own funds and borrowing from SMBC as the necessary funds for the Transaction. In addition, the Tender Offeror and the Target Company will also strengthen their cooperation in recruiting human resources, and even with the expected decline in the labor force population, the Tender Offeror expects to achieve a recruiting capability that will enable it to compete with other industries in the market for human resources.

iv) No actions that may reduce the Target Company's enterprise value, such as adverse effects on the Target Company's relationships with its customers, suppliers, and other business partners after the Transaction, are contemplated.

(B) Opinion on the Second Consultation Matter (whether the fairness and appropriateness of the terms of the Transaction (including the tender offer price) have been ensured)

For the following reasons, and subject to the fairness and appropriateness of the negotiation status and structure, etc. of the Transaction, the Tender Offer Price is fair and reasonable. Further, in the Transaction, it is ensured that the minority shareholders will receive consideration equal to the Tender Offer Price per share of the Target Company's Stock regardless of whether they receive the consideration through the Tender Offer or the Squeeze-Out Process. Therefore, the fairness and appropriateness of the terms of the Transaction, including the Tender Offer, are ensured.

(a) With respect to the actual negotiation of the Tender Offer Price, starting from the Tender Offeror's initial offer price (2,075 yen per share), the Target Company, being advised by Mizuho Securities and based on the preliminary share valuation results obtained from Mizuho Securities and the Special Committee's request to increase the Tender Offer Price based on the deliberations and discussions at the Special Committee, negotiated with the Tender Offeror. In addition, the Special Committee directly requested a raise in the price to the Tender Offeror. Through such negotiation, the Target Company received revised offers to increase the tender offer price for seven times, and ultimately reached an agreement on the Tender Offer Price (2,390 yen per share). In the course of such series of negotiations, Mizuho Securities shared and explained the progress to the Special Committee in a timely manner at the committee meetings or by e-mail, and the Target Company conducted such negotiations with the substantial involvement of the Special Committee while obtaining confirmation of the negotiation policy by the Special Committee and hearing the opinions of the Special Committee from time to time and the Special Committee also directly engaged in the negotiation when necessary. As a result, the final Tender Offer Price is a reasonable increase from the price originally proposed by the Tender Offeror, and it is confirmed that negotiations were conducted with the aim of making the Transaction as favorable as possible to the minority shareholders as the Target Company. In light of the above, it can be inferred that the agreement on the Tender Offer Price in the Transaction was reached as a result of negotiations between the Target Company and the Tender Offeror, based on objective and consistent discussions that are substantially equivalent to arm's length discussions. There is no circumstance that raises doubts about the transparency or fairness of the agreement process.

(b) The Business Plan (defined in "d. Target Company's Obtaining of Share Valuation Report from an Independent Financial Advisor and Third-Party Valuation Institution" below; hereinafter the same) has been prepared as a financial forecast of the Target Company for the period September 2025 through September 2027 on a stand-alone basis without assuming the Transaction. According to the hearings conducted by the

Special Committee and other interviews and Q&As, it does not appear that the Tender Offeror or their related parties were involved in or influenced the creation of the Tender Offeror. In addition, although the Target Company has made certain explanations to the Tender Offeror regarding the Business Plan in its negotiations with the Tender Offeror, there is no indication that the Business Plan was formulated or revised at the direction of or with the intent of the Tender Offeror. In light of the above, there is no evidence that pressure from the Tender Offeror intervened in the process of formulating the Business Plan, nor is there any unreasonable expectation in its content.

(c) The valuation methods used by Mizuho Securities are corporate valuation methods that assume the company is a going concern. Specifically, Mizuho Securities used the market share price analysis, the comparable listed company analysis, and the DCF analysis. The combination of valuation methodologies, which is based on the market share price combined with the DCF analysis, which incorporates the present value of future cash flows into the valuation to ascertain the valuation upper limit, is appropriate and in line with the standard approach to corporate valuation. Among the valuation methods adopted by Mizuho Securities, the market share price analysis uses the business day before the announcement date of the Transaction as the base date, and calculates the share price based on the closing price on the base date and the simple average of the closing prices for the most recent one-month, three-month and six-month periods. With regard to the share price trend of the Target Company, there were no significant fluctuations that should be attributed to special factors, and there were no particularly abnormal movements. Therefore, the share price valuation period used in Mizuho Securities' calculation was appropriate, and the price range calculated using the average market share price method was sufficiently reasonable. With regard to the comparable company analysis, the following four companies were selected as comparable companies of the Target Company: Goodcom Asset Co., Ltd., KOSE R.E. Co., Ltd., Dear Life Co., Ltd., and ESLEAD CORPORTATION. The share value of the Target Company was calculated based on EBITDA multiple for enterprise value of these four companies. With regard to the selection of the comparable companies, Mizuho Securities explained that it had comprehensively verified the similarities between the candidate companies and the Target Company, mainly from the perspectives of scale, business content, earnings situation, and characteristics. There was nothing particularly unreasonable about these explanations, and the price range calculated based on the multiples of the four companies, Goodcom Asset Co., Ltd., KOSE R.E. Co., Ltd., Dear Life Co., Ltd., and ESLEAD CORPORTATION., was sufficiently reasonable. Next, with regard to the DCF analysis, if arbitrary numerical manipulation or unreasonable preconditions are set for each calculation factor, the final calculation result may fluctuate greatly. From this perspective, the Special Committee asked Mizuho Securities questions and confirmed the calculation process in the hearings, interviews, and Q&A sessions, etc. conducted by the Special Committee, and found no particular indications of arbitrary manipulation of numerical values or the setting of unreasonable preconditions in the various calculation bases adopted in the DCF analysis. In addition, the Special Committee did not find anything unreasonable in the selection of the average market share price method, the comparable company analysis method, and the DCF analysis, as well as the calculation method and basis for each of them. The Special Committee concluded that it is possible to rely on the Valuation Report (Mizuho Securities) when considering the value of the Target Company's Stock.

(d) The Tender Offer Price of 2,390 yen per share is: (i) above the upper limit of the range of per share values of the Target Company's Stock calculated by Mizuho Securities using the average market share price method, (ii) above the median of, and is within, the range of per share values of the Target Company's Stock calculated by Mizuho Securities using the comparable company analysis method, and (iii) above the median of, and within, the range of the per share value of the Target Company's Stock calculated by Mizuho Securities using the DCF analysis. Based on the above, the Tender Offer Price is considered to have reached a level that is not disadvantageous to the minority shareholders in terms of comparison with the value of the Target Company's Stock calculated by Mizuho Securities.

(e) Furthermore, the Tender Offer Price represents a premium of 21.81% over the closing price of the Target Company's Stock on the Tokyo Stock Exchange on January 9, 2025 (1,962 yen), and a premium of 23.13%, 25.26% and 25.20% over the average closing prices of the Target Company's Stock for the past one month (1,941 yen), three months (1,908 yen), and six months (1,909 yen), respectively. In addition, it is above 2,171 yen (the highest price during trading hours on January 13, 2022), the highest share price of the Target Company marked since its initial listing.

(f) Although the Tender Offer Price is below (representing a 14.83% discount) the Target Company's consolidated net asset value per share (2,806 yen), calculated by dividing the consolidated book value of the Target Company's net assets after deducting non-controlling interests as of September 30, 2024 (194,750 million yen) by the number of the Target Company's issued stock other than treasury shares as of such date (69,399,889 shares), the consolidated book value of the net assets is only an indication of the theoretical liquidation value and does not reflect the future profitability of the Target Company, and therefore, it is not reasonable to place importance on it in the calculation of the share value of the Target Company as a going concern. In addition, it is difficult to adopt the idea that the consolidated book value per share is the minimum fair value of the shares of the Target Company's Stock because, if the Target Company were to liquidate, the amount available for distribution to the shareholders of the Target Company would be considerably impaired from the consolidated book value of net assets (as liquidation is not planned by the Target Company, the Target Company has not confirmed any estimate of liquidation costs and losses through specific studies) because the consolidated book value of net assets would not be converted at the same amount due to the possible significant depreciation of the sale price of real estate for sale and real estate for sale in progress that is expected to be sold immediately or in the near future (specifically, 23,867 million yen and 162,215 million yen, respectively, are recorded as real estate for sale and real estate for sale in progress on the Company's balance sheet as of September 30, 2024), which will be disposed of in bulk or sold to other companies, the possible difficulties in selling assets, especially illiquid assets held by the Target Company and various expenses (e.g., expenses related to the sale of land and buildings, extra retirement payments to employees, real estate appraisal fees, building demolition fees, attorney fees and other professionals for business liquidation). Therefore, although the Tender Offer Price is below the Target Company's consolidated net asset value per share (2,806 yen), calculated by dividing the book value of the Target Company's net assets after deducting non-controlling interests as of September 30, 2024 (194,750 million yen) by the number of the Target Company's issued stock other than treasury shares as of such date (69,399,889 shares), such fact itself does lead to the conclusion that the Tender Offer Price is not appropriate.

(g) In the Transaction, it is planned that a tender offer will be made in the first step and a demand for sale of shares or share consolidation will be made in the second step, and a reorganization such as a share exchange is not expected. Such structure of the Transaction is a commonly employed method in this type of going-private transaction, and in either of the second-step procedures, it is possible to file a petition to the court for a determination of the sales price or for a determination of the price after the share purchase request. The structure of the Transaction is also desirable because the consideration received by the shareholder is in cash, which is easy to understand, and the value is stable and objective. The fact that the consideration is in cash is preferable to a share exchange or other reorganization in which the consideration is in the form of shares, etc., from the perspective of both the requirement to make the Target Company a wholly owned subsidiary quickly and securing the opportunity and time for minority shareholders to make an appropriate decision based on sufficient information. The Tender Offer Registration Statement also states that the amount of money to be delivered to the Target Company's shareholders as consideration in the event of a demand for sale of shares or a share consolidation will be calculated to equal the Tender Offer Price multiplied by the number of the Target Company's Stock held by each shareholder. Furthermore, the Tender Offer does not set an upper limit to the number of shares to be purchased, and the concern of coercion is remote. Based on the above, it is reasonable to adopt the method of two-step acquisition with tender offer as the transaction structure and to set the consideration for the acquisition as cash.

(C) Opinion on the Third Consultation Matter (whether sufficient consideration has been given to the interests of the Target Company's shareholders through fair procedures in the Transaction)

As described in (a) through (h) below, the Transaction (i) ensures that the transaction can be considered substantially an arm's length transaction in terms of the process of forming the transaction terms, and (ii) employs measures to ensure fairness that are robust from the perspective of ensuring that minority shareholders have an opportunity to make an appropriate decision based on sufficient information. Therefore, in conclusion, the fairness of the procedures pertaining to the Transaction, including the Tender Offer, is ensured.

(a) The Special Committee is consulted by the Target Company on the Consultation Matters, and in considering such matters, the Special Committee performed the role that the M&A Guidelines require it to perform (specifically, (i) reviewing and judging the merits of the M&A from the perspective of whether or not it will contribute to the enhancement of the Target Company's enterprise value, and (ii) reviewing and judging (x) the appropriateness of the transaction terms and (y) the fairness of the procedures from the perspective of serving the interests of minority shareholders).

(b) The Special Committee is functioning effectively as a measure to ensure fairness in light of such facts that the Special Committee is composed of three independent outside directors, each of whom has been confirmed to be independent of the Tender Offeror and the success or failure of the Transaction, and the Target Company's Board of Directors has resolved that the decisions of the Target Company's Board of Directors regarding the Transaction, including whether to support or reject the Tender Offer, shall be made with the utmost respect for the decisions of the Special Committee, and that if the Special Committee determines that the terms of the Transaction, including the Tender Offer, are not appropriate, it shall not support the Transaction, including the Tender Offer.

(c) In order to ensure transparency and reasonableness in the decision-making process regarding the Transaction, the Target Company has been advised by Anderson Mori & Tomotsune, a legal advisor independent of the

Target Company and the Tender Offeror, regarding the establishment of a special committee, the selection of its members, and other measures to ensure fairness. In addition, the Special Committee, after confirming at its first meeting that there are no problems with the high level of expertise and independence of the Target Company's legal advisor, Anderson Mori & Tomotsune, confirmed that the Special Committee will seek professional advice from Anderson Mori & Tomotsune as necessary, and since then the Special Committee has received such advice.

(d) In order to ensure the fairness of the Tender Offer Price, the Target Company obtained the Valuation Report (Mizuho Securities) from Mizuho Securities, a third-party valuation institution independent of the Target Company and the Tender Offeror, as a reference material regarding the value of the Target Company's Stock. The Valuation Report (Mizuho Securities) employs multiple calculation methods to ensure that prices are not calculated arbitrarily. In addition, there is no evidence of arbitrary actions by the Tender Offeror or the Target Company's officers or employees in preparing the Business Plan, which is the premise for the calculation, and there are no circumstances that raise doubts about the fairness of the calculation. Based on the above, the Valuation Report (Mizuho Securities) is deemed to be a valuation report by an independent third-party appraiser.

(e) The tender offer period is expected to be 30 business days, whereas the minimum period required by law is 20 business days. By setting the tender offer period longer than the minimum period stipulated by law, it is considered to ensure that the Target Company's shareholders have an appropriate opportunity to make a decision on whether to tender their shares in the Tender Offer and to ensure that any competing takeover bidder has an opportunity to make a takeover proposal. In addition, there will be no agreement between the Target Company and the Tender Offeror that would unduly restrict the Target Company's contact with any competing bidder. Thus, in this case, the so-called indirect market check is being implemented by conducting the M&A after creating an environment in which other potential acquirers could make counter-proposals after the announcement.

(f) Although the Tender Offer does not adopt a "Majority of Minority" as the minimum number of shares to be purchased in the Tender Offer, the Target Company's minority shareholders are given considerable consideration, given that other fairness measures are also in place.

(g) It is expected that the Transaction provides robust disclosure in the tender offer registration statement and the Target Company's Press Release outlining the authority granted to the Special Committee, the Special Committee's review process and involvement in the process of negotiating the terms of the transaction with the Tender Offeror, the contents of the Report and the compensation structure for the Special Committee members, a summary of the Valuation Report (Mizuho Securities), and the process and negotiations leading up to the Transaction. Such disclosure will provide the Target Company's shareholders with important information to assist them in their decision-making regarding the appropriateness of the terms of the transaction.

(h) According to the tender offer registration statement, the Tender Offeror intends to request the Target Company to hold a special meeting of shareholders, which will include a proposal that, if the Tender Offeror cannot acquire all of the Target Company's Stock in the Tender Offer, the Tender Offeror will make a demand for sale of all of the Target Company's Stock or a share consolidation promptly after the settlement of the Tender Offer promptly after the completion of the settlement of the Tender Offer. In addition, it is planned to calculate the amount of money to be delivered to the Target Company's shareholders as consideration in the event of a demand for sale of shares, etc. or a share consolidation so that the amount of money to be delivered to the Target Company's shareholders is equal to the Tender Offer Price multiplied by the number of the Target Company's Stock owned by each shareholder. Furthermore, care has been given to avoid coercion considering that, in the case of a demand for sale of shares, etc., shareholders of the Target Company have the right to petition the court to determine the price, and in the case of a share consolidation, shareholders of the Target Company have the right to demand the purchase of their shares and to petition the court to determine the price in connection with such purchase.

(D) Opinion on the Fourth Consultation Matter (in addition to the first to third Consultation Matters, can the Transaction be considered not to be disadvantageous to the minority shareholders of the Target Company)

With regard to the fourth Consultation Matter, there are no problems with any of the Consultation Matters in (A) through (C) above. Based on the above, the Transaction (including any decision by the Target Company's Board of Directors in connection with the Transaction) is not disadvantageous to the minority shareholders of the Target Company.

(E) Opinion on the Fifth Consultation Matter (whether it is appropriate for the Target Company's Board of Directors to express an opinion in support of the Tender Offer and recommend that the Target Company's shareholders tender their shares in the Tender Offer)

With regard to the first through the fifth Consultation Matter, there are no problems with any of the Consultation Matters. Based on the above, it is appropriate and is not disadvantageous to the minority shareholders for the Target Company's Board of Directors to express its opinion in support of the Tender Offer and to pass a resolution recommending that the Target Company's shareholders tender their shares in the Tender Offer.

c. Advice from an Independent Legal Advisor Received by the Target Company

As stated in "b. Target Company's Decision-Making Process Leading to Decision to Consent to Tender Offer and Reasons Therefor" in "(2) Background, Purpose and Decision-Making Process Leading to Decision to Implement Tender Offer, and Management Policy After Tender Offer" above, to ensure the fairness of the procedure of the Transaction, the Target Company has retained Anderson Mori & Tomotsune as an external legal advisor independent from any of the Target Company and related parties of the Tender Offeror, and has received legal advice regarding the matters such as measures to be taken to ensure the fairness of the procedures in the Transaction, various procedures of the Transaction, and the method and process of decision-making or other matters by the Target Company.
Anderson Mori & Tomotsune is not a related party to the Target Company or the Tender Offeror and does not have any material interest in the Transaction including the Tender Offer.

Remuneration for Anderson Mori & Tomotsune will be calculated by multiplying the working hours by an hourly rate regardless of whether the Transaction succeeds, and no contingency fees, which are payable subject to the completion of the Transaction, will be paid and thus the Target Company considers that there are no particular issues with the Anderson Mori & Tomotsune's independence from whether the Transaction succeeds.
In addition, the Special Committee confirmed at the first Special Committee meeting that there are no issues with the independence and professionality of Anderson Mori & Tomotsune.

d. Target Company's Obtaining of Share Valuation Report from an Independent Financial Advisor and Third-Party Valuation Institution

In forming its opinion regarding the Transaction, including the Tender Offer, the Target Company appointed Mizuho Securities as its financial advisor and third-party valuation institution independent of the Target Company and the Tender Offeror-Related Parties, and received advice and assistance from Mizuho Securities from a financial perspective, including advice on the valuation of the Target Company's Stock and the negotiation policy with the Tender Offeror in order to ensure the fairness of the decision-making process regarding the Tender Offer Price presented by the Tender Offeror, as stated in "(i) Organizing Examination Process" of "b. Target Company's Decision-Making Process Leading to Decision to Consent to Tender Offer and Reasons Therefor" in "(2) Background, Purpose and Decision-Making Process Leading to Decision to Implement Tender Offer, and Management Policy After Tender Offer" above. The Target Company also received the Valuation Report (Mizuho Securities) on January 9, 2025.

Mizuho Securities does not fall under the category of a related party of the Target Company or the Tender Offeror, and does not have any material interests in the Transaction, including the Tender Offer. Furthermore, Mizuho Bank, Ltd. ("Mizuho Bank"), an affiliate of Mizuho Securities, conducts financing transactions, etc. with the Target Company and the Tender Offeror as part of its ordinary banking transactions, but has no material interests in the Transaction, including the Tender Offer, relating to any conflicts of interest with the Target Company or the Tender Offeror. According to Mizuho Securities, Mizuho Securities has established and implemented an appropriate conflict of interest management system, including information barrier measures between Mizuho Securities and Mizuho Bank, in accordance with applicable laws and regulations - namely, the Act (Article 36, Paragraph 2) and the Cabinet Office Ordinance on Financial Instruments Business, etc. (Cabinet Office Ordinance No. 52 of 2007, as amended) (Article 70-4). Mizuho Securities has calculated the equity value of the Target Company in a capacity independent of Mizuho Bank's status as a lender. In light of various factors such as Mizuho Securities' track record as a valuation institution and the fact that appropriate harm prevention measures have been taken between Mizuho Securities and Mizuho Bank, the Target Company has determined that Mizuho Securities has sufficient independence to act as financial advisor and third-party valuation institution for the Transaction, and that there is no particular issue with the Target Company's request to Mizuho Securities to perform the share price valuation of the Target Company's Stock. According to the Target Company, the compensation to Mizuho Securities for the Transaction includes a contingency fee payable on the condition that the Transaction is consummated. The Target Company has appointed Mizuho Securities as its financial advisor and third-party valuation institution in accordance with the aforementioned compensation structure under its judgment that the adoption of such fee structure contingent upon the successful completion of the Tender Offer does not in itself defeat the independence of the advisor taking into consideration the general practices in similar transactions and the merits of a compensation structure that would impose a reasonable monetary burden on the Target Company in the event the Transaction is unsuccessful. The Special Committee also confirmed at its first meeting held on November 13, 2024, that there were no particular issues with the independence and expertise of Mizuho Securities, and approved the appointment of Mizuho Securities as the Target Company's financial advisor and third-party valuation institution.

The Target Company has not obtained a fairness opinion from Mizuho Securities in light of the fact that various measures to ensure the fairness of the Tender Offer as described in this section titled "Measures to Ensure Fairness of Tender Offer Such as Measures to Ensure Fairness of Tender Offer Price and to Avoid Conflicts of Interest" are taken by the Tender Offeror and the Target Company in consideration of the interest of the Target Company's minority shareholders.

After examining which methods of valuation analysis to be adopted for the Tender Offer, Mizuho Securities conducted the valuation of the share value of the Target Company's Stock using the following methods of analysis: (i) the market share price analysis, because the Target Company's Stock is listed on the Tokyo Stock Exchange Standard Market, and the market prices are available for the Target Company's Stock; (ii) the comparable listed company analysis, because there are several comparable listed companies conducting business similar to the Target Company and an analogical inference of the share value of the Target Company's Stock is possible through the comparison with listed companies similar to the Target Company; and (iii) the DCF analysis, so as to reflect the future business activities in the evaluation. The Target received the Valuation Report (Mizuho Securities) from Mizuho Securities on January 9, 2025.

The share value of the Target Company's Stock in the Valuation Report (Mizuho Securities) was calculated using each of the methods of analysis above. The ranges of the share value per share of the Target Company's Stock calculated by each analysis method are as follows:

Market share price analysis:	1,908 yen to 1,962 yen
Comparable listed company analysis:	2,130 yen to 2,501 yen
DCF analysis:	2,057 yen to 2,642 yen

Under the market price method, using January 9, 2025 as the valuation reference date, the value per share of the Target Company's Stock was evaluated to range from1,908 yen to 1,962 yen, based on the simple average closing prices for the most recent one (1) month (1,941 yen), the simple average closing prices for the most recent three (3) months (1,908 yen) and the simple average closing prices for the most recent six (6) months (1,909 yen) of the Target Company's Stock on the Tokyo Stock Exchange.

Under the comparable listed company analysis, Goodcom Asset Co., Ltd., KOSE R.E. Co., Ltd., Dear Life Co., Ltd., and ESLEAD CORPORTATION. were selected as comparable listed companies that are considered to be similar to the Target Company, and the value per share of the Target Company's Stock was calculated using multiples of EBITDA to enterprise value and was evaluated to range from 2,130 yen to 2,501 yen.

Under the DCF analysis, the value per share of the Target Company's Stock was evaluated to range from 2,057 yen to 2,642 yen, after analyzing the enterprise value and the share value of the Target Company calculated by discounting to the current value at a certain discount rate the free cash flow that the Target Company is expected to generate from the first quarter of fiscal year ending September 30, 2025 based on the Target Company's estimated future earnings and investment plan in the business plan from the fiscal year ending September 30, 2025 to the fiscal year ending September 30, 2027 (the "**Business Plan**") prepared by the Target Company, publicly disclosed information, and other information.
The discount rate used was 6.03% to 7.03%, and perpetuity growth rate method were adopted for the calculation of continuous value. The perpetuity growth rate is in the range of minus 0.5% to 0.5%. The Target Company's future financial forecasts on which the DCF analysis is based are as follows, and they include fiscal years where a large increase or decrease in the free cash flow is expected. Namely, in the fiscal years between FY September 2025 and FY September 2026, and FY September 2026 and FY September 2027, the free cash flows are expected to increase materially from minus 11,789 million yen to minus 6,334 million, and from minus 6,334 million to 11,786 million, respectively, because of the increase in working capital due to acquisition of real estate and land along with revenue growth.

Since it is difficult at this point in time to specifically estimate the impact on earnings of the synergies that are expected to be realized through the implementation of the Transaction, such synergies are not reflected in the financial forecasts below and calculation by Mizuho Securities based on the financial forecasts.

In addition, the Special Committee was given an explanation from the Target Company on matters such as the assumptions and figures based on these assumptions that were set when formulating the financial forecasts and conditions precedent that form the basis for the calculations in the Business Plan and held a Q&A session on those matters, and the Special Committee confirmed that there were no particularly unreasonable points, and the method and results of the valuation were reasonable, as described in "b. Target Company's Establishment of an Independent Special Committee and Receipt of the Report from the Special Committee" above.

The figures for the Target Company's future financial forecasts on which the DCF analysis is based are as follows.

(Unit: JPY in million)

	FY ending September 30, 2025	FY ending September 30, 2026	FY ending September 30, 2027
Sales Revenue	218,624	232,786	247,337
Operating	21,046	22,357	23,222

Profit			
EBITDA	21,762	23,293	24,234
Free Cash Flow	minus 11,789	minus 6,334	11,786

In calculating the equity value of the Target Company's Stock, Mizuho Securities, in principle, used the information provided by the Target Company and publicly available information as is, and assumed that all such materials and information were accurate and complete, and did not independently verify their accuracy and completeness.

In addition, it is assumed that the information regarding the Target Company and its affiliates' financial forecasts and other information about the future (including projections regarding future earnings and expenses, and the Business Plan) has been reasonably prepared or created based on the best and sincere forecasts and judgment of the Target Company's management available at the time of calculation.

Furthermore, Mizuho Securities has not conducted any independent evaluation or appraisal, including analysis and evaluation of individual assets and liabilities, of the Target Company and its affiliates' assets or liabilities (including derivative financial instruments, off-balance-sheet assets and liabilities and other contingent liabilities) or mortgage, nor have they requested any third-party institution to appraise or assess them.

The calculation by Mizuho Securities reflected information and economic conditions obtained by Mizuho Securities by January 9, 2025 (or, by September 30, 2024 for financial information).

The sole purpose of Mizuho Securities' calculation is to serve as a reference for the Board of Directors of the Target Company in its consideration of the Tender Offer Price.

Mizuho Securities is not a related party to the Target Company or the Tender Offeror and does not have any material interest in the Transaction including the Tender Offer.

Remuneration for Mizuho Securities pertaining to the Transaction includes contingency fees to be paid subject to conditions such as the completion of the Transaction, but the Target Company appointed Mizuho Securities as its financial advisor and third-party valuation agent based on this remuneration system under the judgement that the fact that the contingency fees, which are paid on the condition that the Tender Offer is completed, are included does not negate Mizuho Securities' independence, after taking into consideration customary practices in similar kinds of transactions and the appropriateness of a compensation structure in which the Target Company would bear considerable monetary burden in the event that the Transaction is not successfully completed.

In addition, the Special Committee confirmed at the first Special Committee meeting that there are no issues with the independence and professionality of Mizuho Securities.

e. Establishment of Independent Review Structures within the Target Company

As described in “b. Target Company’s Decision-Making Process Leading to Decision to Consent to Tender Offer and Reasons Therefor” in “(2) Background, Purpose and Decision-Making Process Leading to Decision to Implement Tender Offer, and Management Policy After Tender Offer” above, since Mr. Kotaro Wakatabi, director of the Target Company, also serves as a senior managing director and CFO of the Tender Offeror, he did not participate in the deliberation and resolution in the Board of Directors meeting of the Target Company from the perspectives of avoiding suspicion of conflicts of interest, and did not participate in the discussion and negotiation with the Tender Offeror from the Target Company’s position.

f. Unanimous Approval by All of the Non-Interested Directors of the Target Company including Directors who are the members of Audit and Supervisory Committee

As described in “b. Target Company’s Decision-Making Process Leading to Decision to Consent to Tender Offer and Reasons Therefor” in “(2) Background, Purpose and Decision-Making Process Leading to Decision to Implement Tender Offer, and Management Policy After Tender Offer” under “1. Purpose of Purchase, Etc.” above, the Board of Directors of the Target Company, while taking into consideration the legal advice from Anderson Mori & Tomotsune, financial advice from Mizuho Securities and the Valuation Report (Mizuho Securities) as well as by respecting, to the maximum extent, the contents of the Special Committee’s judgment as presented in the Report, carefully discussed and considered whether or not the Transaction, including the Tender Offer, will contribute to the enhancement of the Target Company’s enterprise value and the terms and conditions of the Transaction, including the Tender Offer Price, is appropriate.

As a result, the Target Company, at its Board of Directors meeting held today where eight of its nine directors (including three outside directors and excluding Mr. Kotaro Wakatabi who is concurrently a senior managing director and CFO of the Tender Offeror) participated in the deliberation and vote, adopted a resolution to express its opinion to support the Tender Offer and recommend that the shareholders of the Target Company tender their shares in the Tender Offer for the reasons described in “b. Target Company’s Decision-Making Process Leading to Decision to Consent to Tender Offer and Reasons Therefor” in “(2) Background, Purpose and Decision-Making Process Leading to Decision to Implement Tender Offer, and Management Policy After Tender Offer” under “1. Purpose of Purchase, Etc.” above, with the unanimous affirmative vote of all directors (including directors who are audit and supervisory committee members) who participated in the vote.

g. Absence of Deal Protection Clause

In addition, the Tender Offeror and the Target Company have not entered into any agreement that would restrict contact or other activities between any Competing Tender Offeror and the Target Company, including any agreement containing deal protection clauses that would prohibit the Target Company from contacting any competing Tender Offeror. Thus, the Tender Offeror has given consideration to ensuring the fairness of the Tender Offer by refraining from hindering any opportunity for a competing tender offer etc.

h. Measures to Ensure that Shareholders of the Target Company Have an Appropriate Opportunity to Decide Whether or Not to Tender Their Shares in the Tender Offer

As described in "(4) Plan for Acquisition of Share Certificates, etc. of Target Company's Stock after Tender Offer" below, in the Squeeze-Out Procedure, the Tender Offeror intends to take a measure to eventually pay cash to shareholders of the Target Company who do not tender their shares in the Tender Offer (excluding the Tender Offeror and the Target Company). In such case, the amount of cash to be paid to the respective shareholders of the Target Company is planned to be equal to the amount calculated by multiplying the Tender Offer Price by the number of the Target Company's Stock each shareholder of the Target Company holds. Thus, the Tender Offeror has ensured that the shareholders of the Target Company will have an opportunity to make an appropriate decision as to whether to tender their shares in the Tender Offer, and that there will be no coercion as a result of the Tender Offer. Also, the Tender Offeror sets the period of the Tender Offer (the "**Tender Offer Period**") at 30 business days, while the statutory minimum period is 20 business days. By setting the Tender Offer Period for a period longer than the statutory minimum, the Tender Offeror secures an opportunity for the shareholders of the Target Company to make an appropriate decision as to whether to tender their shares in the Tender Offer after carefully considering the pros and cons of the Transaction and the appropriateness of the Tender Offer Price.

(4) Plan for Acquisition of Share Certificates, etc. of Target Company's Stock after Tender Offer

As stated in "(1) Overview of Tender Offer" above, if the Tender Offeror is unable to acquire all of the Target Company's Stock (other than the Target Company's Stock owned by the Tender Offeror and the treasury shares owned by the Target Company) through the Tender Offer, the Tender Offeror will implement the Squeeze-Out Procedure with the aim of making the Tender Offeror the only shareholder of the Target Company and making the Target Company a wholly-owned subsidiary of the Tender Offeror in the following manner after the successful completion of the Tender Offer.

a. Demand for Share Cash-Out

If, after the successful completion of the Tender Offer, the Tender Offeror acquires 90% or more of the total voting rights of the Target Company, and the Tender Offeror becomes a special controlling shareholder as set forth in Paragraph 1 of Article 179 of the Companies Act, the Tender Offeror plans to, promptly following the conclusion of the settlement of the Tender Offer, pursuant to Part II, Chapter II, Section 4-2 of the Companies Act, demand all of the Target Company's shareholders (other than the Tender Offeror and the Target Company, the "**Selling Shareholders**") to cash-out all of the Target Company's Stock owned by such shareholders (the "**Demand for Share Cash-Out**"). With respect to the Demand for Share Cash-Out, the Tender Offeror plans to provide the Selling Shareholders with a cash amount equivalent to the Tender Offer Price in consideration for each share of the Target Company's Stock. In such event, the Tender Offeror will provide the Target Company with notice to such effect and will seek approval from the Target Company for the Demand for Share Cash-Out. If the Target Company approves the Demand for Share Cash-Out via resolution of the Target Company's Board of Directors, in accordance with the procedures prescribed by the relevant laws and regulations, without need for the individual approvals of the Target Company's shareholders, the Tender Offeror will acquire, as of the acquisition date designated with respect to the Demand for Share Cash-Out, all of the Target Company's Stock owned by Selling Shareholders. In such event, the Tender Offeror plans to pay the Selling Shareholders a cash amount equivalent to the Tender Offer Price in consideration for the Target Company's Stock owned by such shareholders.

According to the Target Company Press Release, the Target Company plans to approve the Demand for Share Cash-Out at the Target Company's Board of Directors once the Target Company receives notice from the Tender Offeror that the Tender Offeror intends to make a Demand for Share Cash-Out and the matters set forth in each item of Article 179-2, Paragraph 1 of the Companies Act.

There are provisions of the Companies Act, which aim to protect the rights of minority shareholders in relation to the Demand for Share Cash-Out, and it is set forth that the Target Company's shareholders who did not apply to the Tender Offer (other than the Tender Offeror and the Target Company) may file a petition for the court to determine the sale price of the Target Company's Stock owned by such shareholders in accordance with the provisions of Article 179-8 of the Companies Act and other relevant laws and regulations.

b. Share Consolidation

If, following the successful completion of the Tender Offer, the total voting rights of the Target Company owned by the Tender Offeror does not reach 90% or more of all of the voting rights of the Target Company, the Tender Offeror will, promptly after the completion of settlement of the Tender Offer, request the Target Company to hold an extraordinary general meeting of shareholders (the "**Extraordinary Shareholders' Meeting**") that will include among its agenda (i) consolidation of the Target Company's Stock in accordance with Article 180 of the Companies Act (the "**Share Consolidation**"), and, (ii) conditioned on the implementation of the Share Consolidation, changes to portions of the Target Company's articles of incorporation that will eliminate provisions on share unit numbers. If the Extraordinary Shareholders' Meeting is to be held, such meeting will be held around late April 2025 and the specific procedures and timing of such meeting, etc. will be announced promptly by the Target Company once they have been determined upon consultation with the Target Company. The Tender Offeror plans to support each of the proposals described above at the Extraordinary Shareholders' Meeting.

If the proposals for the Share Consolidation are approved at the Extraordinary Shareholders' Meeting, as of the date the Share Consolidation is to take effect, the Target Company's shareholders will each own a number of the Target Company's Stock corresponding to the Share Consolidation ratio approved at the Extraordinary Shareholders' Meeting. If the Share Consolidation results in fractional shares constituting less than one (1) full share arising, then, in accordance with the provisions of Article 235 of the Companies Act and other relevant laws or regulations, the shareholders for whom such fractional shareholding arises shall receive the consideration to be paid by the Target Company or the Tender Offeror through such party's purchase of such number of shares equivalent to the total number of such fractional shares (where the total of the fractional shares contains a portion that is less than one (1) full share, the fractional portion will be discarded). With respect to the sale price of the shares corresponding to the total number of such fractional shares of the Target Company, the Tender Offeror plans to request the Target Company to file a petition to the court for permission for voluntary sale, where the price of the shares sold shall be determined so as to ensure that as a result of such sale of fractional shares, the cash amount provided to the Target Company's shareholders (other than the Tender Offeror and the Target Company) who did not tender their shares in the Tender Offer will be the same as the value obtained when the number of the shares of the Target Company's Stock owned by such shareholders is multiplied by the Tender Offer Price. Furthermore, although the ratio of Share Consolidation is still undetermined as of today, the Tender Offeror plans to request the Target Company to decide upon a ratio that will result in shares owned by each shareholder of the Target Company who did not apply to the Tender Offer (other than the Tender Offeror and the Target Company) acquiring less than one (1) full share so that the Tender Offeror will retain all of the Target Company's Stock (other than the treasury shares owned by the Target Company). According to the Target Company Press Release, in the event of the successful completion of the Tender Offer, the Target Company plans to respond to these requests by the Tender Offeror.

If the Share Consolidation is implemented, and such Share Consolidation results in fractional shares that constitute less than one (1) full share, the Target Company's shareholders who did not apply to the Tender Offer (other than the Tender Offeror and the Target Company) may demand that the Target Company purchase any fractional shares constituting less than one (1) full share in their possession at a fair price and may file a petition to the court for a decision regarding the price of the shares of the Target Company's Stock, all in accordance with the provisions of Articles 182-4 and 182-5 of the Companies Act and other relevant laws and regulations, which aim to protect the rights of minority shareholders in relation to the Share Consolidation.

In the event that such petition is filed, a sale price for the shares owned by the petitioning shareholder will be determined by the competent court.

With respect to the procedures described in Paragraphs a. and b. above, the implementation may take time and the method for the implementation may change based on the status of amendments to, implementation of, and interpretation by relevant authorities of the relevant laws and regulations. However, even in such event, in the event of the successful completion of the Tender Offer, the Tender Offeror plans to utilize a method whereby cash consideration is ultimately provided to the Target Company's shareholders who did not apply to the Tender Offer (other than the Tender Offeror and the Target Company), and the cash amount provided will be the price obtained when the number of the shares of the Target Company's Stock owned by the relevant shareholders is multiplied by the Tender Offer Price.

The Target Company plans to promptly announce the specifics of the procedures and implementation terms for each of the situations described above, once they are determined following consultation between and decision-making by the Tender Offeror and the Target Company.

With regard to the restricted stock of the Target Company granted to directors of the Target Company or the directors of the Target Company's subsidiaries as restricted stock compensation (the "**Restricted Stock**"), the relevant allotment agreement provides that (a) during the restricted transfer period, if the matters concerning the share consolidation as provided for in Article 180 of the Companies Act are approved at a general meeting of shareholders of the Target Company or the matters concerning the demand for share cash-out as provided for in Article 179 of the Companies Act are approved at a board of directors of the Target Company (provided, however, that this shall be limited to cases where the effective date of the share consolidation set forth in Article 180, Paragraph 2, Item 2 of the Companies Act or the date on which the special controlling shareholder acquires the shares to be sold as provided for in Article 179-2, Paragraph 1, Item 5 of the Companies Act (the "**Squeeze-Out Effective Date**") falls before the expiration of the restricted transfer period), the Target Company's board of directors may, by its resolution, determine that as of the time immediately preceding the business day before the Squeeze-Out Effective Date, the transfer restriction shall be cancelled with respect to the Restricted Stock in the number obtained by multiplying the number obtained by dividing the number of months from the month including the payment date stipulated in the allocation agreement to the month including the Squeeze-Out Effective Date by 12 (if the number exceeds 1, it shall be deemed to be 1) by the number of the Restricted Stock allotted to each director (if the calculation results in an number of shares less than 1 share, it shall be rounded down) and (b) in the case specified in (a) above, the Target Company shall automatically and without compensation acquire all of the Restricted Stock that have not had the transfer restrictions lifted as of the business day prior to the Squeeze-Out Effective Date. In the Squeeze-Out Procedure, in accordance with the provisions of (a) of the above allotment agreement, the Restricted Stock for which the transfer restriction has been lifted immediately before the business day immediately preceding the Squeeze-Out Effective Date will be subject to the Demand for Share Cash-Out or the Share Consolidation, and in accordance with the provisions of (b) of the above allotment agreement, the Target Company plans to acquire without consideration the Restricted Stock for which the transfer restriction has not been lifted as of the business day immediately preceding the Squeeze-Out Effective Date.

Note that the Tender Offer is not intended as a solicitation for the approval of the shareholders of the Target Company at the Extraordinary Shareholders' Meeting. Note also that the shareholders of the Target Company are each personally responsible for consulting tax experts such as tax accountants regarding the tax treatments relating to the tendering for the Tender Offer and each of the procedures described above.

(5) Possibility of Delisting and Reasons Therefor

As of today, the Target Company's Stock is listed on the Standard Market of the Tokyo Stock Exchange, but the Tender Offeror has not set a maximum number of shares to be purchased through the Tender Offer. Accordingly, depending on the results of the Tender Offer, the Target Company's Stock may be delisted after the prescribed procedures are completed, in accordance with the delisting criteria set out by the Tokyo Stock Exchange. Even if the requirements of the delisting criteria are not met as of the time of completion of the Tender Offer, in the event the Squeeze-Out Procedure described in "(4) Plan for Acquisition of Share Certificates, etc. of Target Company's Stock after Tender Offer" above is implemented after the successful completion of the Tender Offer, the delisting criteria set out by the Tokyo Stock Exchange will be met and the Target Company's Stock will be delisted through the prescribed procedures. The Target Company's Stock cannot be traded on the Standard Market of the Tokyo Stock Exchange after the Target Company's Stock is delisted.

(6) Matters Concerning Material Agreements Related to Tender Offer

Not applicable.

2. Outline of Purchase

(1) Outline of the Target Company

a.	Name	Pressance Corporation Co., Ltd.	
b.	Location	1-2-27 Shiromi, Chuo-ku, Osaka City	
c.	Name and Title of Representative	Masanori Harada, Representative Director and President	
d.	Contents of Business	Development and sale of investment-purpose condominium and family condominium	
e.	Amount of Stated Capital (as of September 30, 2024)	7,886,000,000 yen	
f.	Date of Incorporation	October 1, 1997	
g.	Major Shareholders and Shareholding Ratios (as of September 30, 2024)	Open House Group Co.,LTD.	62.95%
		BBH FOR FIDELITY LOW-PRICED STOCK FUND (PRINCIPAL ALL SECTOR SUBPORTFOLIO) (Standing Proxy: MUFG Bank, Ltd.)	3.54%
		The Master Trust Bank of Japan, Ltd. (Trustee account)	3.24%
		Pacific Co., Ltd.	2.60%
		The Nomura Trust and Banking Co., Ltd. (Investment trust account)	1.50%
		HIGHVERN FIDUCIARY CAYMAN LIMITED ACTING SOLELY AS TRUSTEE OF ICHIGO TRUST	1.42%

		BNP PARIBAS LONDON BRANCH FOR PRIME BROKERAGE CLEARANCE ACC FOR THIRD PARTY	1.02%
		Custody Bank of Japan, Ltd. (Trustee account)	1.00%
		OG Capital Co., Ltd.	0.94%
		MSIP CLIENT SECURITIES	0.85%
h.	Relationship between the Tender Offeror and the Target Company	Capital Relationship	As of today, the Tender Offeror owns 44,011,372 shares of the Target Company (440,113 voting rights, ownership ratio: 63.42%), and the Target Company is a consolidated subsidiary of the Tender Offeror.
		Personnel Relationship	As of today, one of the 9 directors of the Target Company (Mr. Kotaro Wakatabi) also serves as the Tender Offeror's Senior Managing Director and CFO. In addition to the above, as of today, five employees of the Target Company are also concurrently employed by the Offeror.
		Business Relationship	There are transactions between the Target Company Group and the Tender Offeror Group relating to (i) the sale of real estate from the Tender Offeror Group to the Target Company, (ii) the provision of construction contracting services from the Tender Offeror Group to the Target Company, and (iii) the provision of real estate brokerage services from the Tender Offeror Group to the Target Company Group. The Target Company pays (iv) customer introduction fees to the Tender Offeror Group and (v) dividends to the Tender Offeror.
		Status as Related Party	The Target Company is a consolidated subsidiary of the Tender Offeror, so it falls under the category of a related party.

(Note) The "Major Shareholders and Shareholding Ratios" are cited from the "Status of Major Shareholders" stated in the Target Company Securities Report filed on December 13, 2024.

(2) Schedule, Etc.

a. Schedule

Date of Resolution of Board of Directors Meeting	January 10, 2025(Friday)
Date of Public Notice of Commencement of Tender Offer	January 14, 2025 (Tuesday) Public notice will be made electronically, and the fact of such notice will be published in the Japanese newspaper Nihon Keizai Shimbun. (EDINET (electronic disclosure for investors' network): https://disclosure2.edinet-fsa.go.jp/)
Filing Date of Tender Offer Registration Statement	January 14, 2025 (Tuesday)

b. Period for Purchase as of the Time of Filing of this Statement

From January 14, 2025 (Tuesday) through February 26, 2025 (Wednesday) (30 business days)

c. Possible Extension of the Tender Offer Period based on the Target Company's Request

Not applicable

d. Contact Information in case of Extension of the Tender Offer Period

Not applicable

(3) Price for Purchase

2,390 yen per share of common stock

(4) Basis of Calculation, Etc. of Price for Purchase

a. Basis of Calculation

The Tender Offeror requested SMBC Nikko Securities, a financial advisor, as a third-party valuation organization independent from the Tender Offeror Group and the Target Company Group, to evaluate the share value of the Target Company's Stock for determining the Tender Offer Price. SMBC Nikko Securities is not a related party to the Tender Offeror or the Target Company and has no material interest in the Tender Offer. Although SMBC Nikko Securities is a member of the Sumitomo Mitsui Financial Group, Inc., the same as SMBC, which provides to the Tender Offeror the funds required for settlement of the Tender Offer, SMBC Nikko Securities is appointed as a financial advisor and a third-party valuation organization, in light of the past performance of SMBC Nikko Securities as a third-party calculation organization and the facts, according to SMBC Nikko Securities, (i) that a certain information blocking measure, as stipulated in the company's regulations, has been implemented among the department to calculate the share value of the Target Company's Stock at SMBC Nikko Securities, other departments and SMBC as a measure to prevent harm, (ii) that independence of SMBC Nikko Securities as a financial advisor and third-party valuation organization is ensured because the Tender Offeror and SMBC Nikko Securities conduct transactions under the same terms and conditions as other general counterparties, and (iii) that SMBC Nikko Securities is not a related party of either the Tender Offeror or the Target Company, and there should be no particular issue with the Tender Offeror requesting SMBC Nikko Securities to calculate the share value of the Target Company's Stock.

After examining which share valuation analysis method should be adopted for assessing the share value of the Target Company's Stock from among several share valuation analysis methods, SMBC Nikko Securities assessed the share value of the Target Company's Stock using the following methods: (i) the market share price analysis, because the Target Company's Stock is listed on the Standard Market of the Tokyo Stock Exchange and the market prices are available for the Target Company's Stock, (ii) the comparable listed company analysis, because an analogical inference of the share value of the Target Company's Stock is possible through the comparison with listed companies similar to the Target Company, and (iii) the DCF analysis, so as to reflect the future business activities in evaluating the share value; subsequently, the Tender Offeror obtained from SMBC Nikko Securities a share valuation report concerning the share value of the Target Company's Stock (the "**Tender Offeror's Valuation Report**") dated as of January 9, 2025. The Tender Offeror believes that the interests of the Target Company's minority shareholders have been fully considered by taking each of the measures stated in "(3) Measures to Ensure Fairness of Tender Offer Such as Measures to Ensure Fairness of Tender Offer Price and to Avoid Conflicts of Interest" under "1. Purpose of Purchase, Etc." above; therefore, the Tender Offeror has not obtained an opinion regarding the appropriateness of the Tender Offer Price (i.e., a fairness opinion) from SMBC Nikko Securities.

The results of the share value per share of the Target Company's Stock as assessed by SMBC Nikko Securities are as follows:

Market share price analysis:	1,908 yen to 1,941 yen
Comparable listed company analysis	2,189 yen to 2,754 yen
DCF analysis:	1,962 yen to 3,410 yen

Under the market share price analysis, with January 9, 2025, set as the record date for the valuation, the range of the share value per share of the Target Company's Stock was calculated to be from 1,908 yen to 1,941 yen, based on, with respect to the Target Company's Stock on the Standard Market of the Tokyo Stock Exchange, the simple average of the closing price for the most recent one (1) month period up to the record date for the valuation, which was 1,941 yen, the simple average of the closing price for the most recent three (3) month period, which was 1,908 yen, and the simple average of the closing price for the most recent six (6) month period, which was 1,909 yen.

Under the comparable listed company analysis, the share value of the Target Company's Stock was assessed by comparing the market share prices and financial indicators showing the profitability of certain listed companies engaged in businesses similar to those conducted by the Target Company, and the share value per share of the Target Company's Stock was calculated to be in the range of 2,189 yen to 2,754 yen.

The DCF analysis is based on a number of factors, including the Target Company's business plan for fiscal years ending in September 2025 through September 2027, its recent performance trends, the results of due diligence conducted by the Tender Offeror on the Target Company from mid-November 2024 to early December 2024, and public information. Taking these into account, the Target Company's enterprise value and equity value were evaluated by discounting to present value, at a certain discount rate, the Target Company's free cash flows expected to be generated in the future by the Target Company after the first quarter of the fiscal year ending September 30, 2025. As a result, the per share value of the Target Company's stock was calculated to be in the range from 1,962 yen to 3,410 yen. Company's future financial forecasts on which the DCF analysis is based are as follows, and they include fiscal years where a large increase or decrease in the free cash flow is expected. Namely, in the fiscal years between FY September 2025 and FY September 2026, and FY September 2026 and FY September 2027, because of the increase in working capital due to acquisition of real estate and land along with revenue growth. No material increase or decrease in profit is anticipated in the Target Company's financial projection used in the DCF analysis. Further, no synergies expected to be realized from the implementation of the Transaction are reflected because it is difficult to estimate the specific impact on earnings at this time.

The Tender Offeror comprehensively reviewed the valuation results in the Tender Offeror's Valuation Report provided by SMBC Nikko Securities, and several factors, such as the results of the due diligence on the Target Company conducted by the Tender Offeror, whether or not the Target Company's Board of Directors would support the Tender Offer, the trends in the market share price of the Target Company's Stock and the prospect of shares being tendered in the Tender Offer, and also took into consideration other factors such as the result of the discussions and negotiations with the Target Company.; As a result, the Tender Offeror finally set the Tender Offer Price at 2,390 yen per share at the Board of Directors meeting held today.

The Tender Offer Price of 2,390 yen represents the following: (a) a premium of 21.81% on 1,962 yen, which is the closing price of the Target Company's Stock on the Standard Market of the Tokyo Stock Exchange on January 9, 2025, the business day immediately preceding the announcement date of implementation of the Tender Offer; (b) a premium of 23.13% on 1,941 yen, which is the simple average of the closing price of the Target Company's Stock for the past one (1) month up to the same date; (c) a premium of 25.26% on 1,908 yen, which is the simple average of the closing price of the Target Company's Stock for the past three (3) months up to the same date; or (d) a premium of 25.20% on 1,909 yen, which is the simple average of the closing price of the Target Company's Stock for the past six (6) months up to the same date, respectively.

b. Background of Calculation

Please refer to "a. Background, Purpose and Decision-Making Process Leading to Decision to Implement Tender Offer" in "(2) Background, Purpose and Decision-Making Process Leading to Decision to Implement Tender Offer, and Management Policy After Tender Offer" under "1. Purpose of Purchase, Etc." above.

c. Relationship with Third-Party Valuation Organization

Please refer to “a. Basis of Calculation” above.

(5) Number of Share Certificates, Etc. to Be Purchased

Number of shares to be purchased	Minimum number of shares to be purchased	Maximum number of shares to be purchased
25,388,517 (shares)	2,255,228 (shares)	－(shares)

(Note 1) If the aggregate number of the Tendered Share Certificates, Etc. is less than the minimum number of shares to be purchased (2,255,228 shares), the Tender Offeror will not purchase any of the Tendered Share Certificates, Etc. If the aggregate number of the Tendered Share Certificates, Etc. is equal to or greater than the minimum number of shares to be purchased (2,255,228 shares), the Tender Offeror will purchase all of the Tendered Share Certificates, Etc.

(Note 2) As the maximum number of shares to be purchased through the Tender Offer was not established, the number of shares to be purchased described above is the maximum number of the Share Certificates, Etc. of the Target Company that may possibly be acquired by the Tender Offeror through the Tender Offer (25,388,517 shares). Such maximum number of shares was obtained by deducting the number of treasury shares owned by the Target Company (493,107 shares) and the Target Company’s shares owned by the Tender Offeror (44,011,372 shares) as of September 30, 2024, as indicated in the Target Company Securities Report, from the total number of issued shares as of September 30, 2024 (69,892,996 shares), as indicated in the Target Company Securities Report.

(Note 3) Shares constituting less than a unit will also be subject to the Tender Offer. The Target Company may purchase its shares in accordance with procedures stipulated in the laws and regulations during the Tender Offer Period from any shareholders who exercise the right to require the Target Company to purchase shares constituting less than a unit under the Companies Act.

(Note 4) The Tender Offeror does not intend to acquire, through the Tender Offer, any treasury shares held by the Target Company.

(6) Change in Ownership Ratio of Share Certificates, Etc. Due to Purchase

Number of Voting Rights Represented by Share Certificates, Etc. Owned by Tender Offeror prior to Purchase, Etc	440,113 units	（Ownership Ratio of Share Certificates, Etc. after Purchase:63.42%）
Number of Voting Rights Represented by Share Certificates, Etc. Owned by Special Related Parties prior to Purchase, Etc	6,045 units	（Ownership Ratio of Share Certificates, Etc. after Purchase:0.87%）

Number of Voting Rights Represented by Share Certificates, Etc. Owned by Tender Offeror after Purchase, Etc	693,998 units	（Ownership Ratio of Share Certificates, Etc. after Purchase:100.00%）
Number of Voting Rights Represented by Share Certificates, Etc. Owned by Special Related Parties after Purchase, Etc	0 units	（Ownership Ratio of Share Certificates, Etc. after Purchase:0.00%）
Total Number of Voting Rights of All Shareholders, Etc. of the Target Company	693,925 units	

(Note 1) The “Number of Voting Rights Represented by Share Certificates, Etc. Owned by Special Related Parties prior to Purchase, Etc.” is the total number of the voting rights represented by the share certificates, etc. owned by each of the special related parties (excluding the parties who are excluded from the special related parties, pursuant to Article 3, Paragraph 2, Item 1 of the Cabinet Office Order on Disclosure Required for Tender Offer for Share Certificates by Persons Other Than Issuers (Ministry of Finance Order No. 38 of 1990, as amended; the “**TOB Order**”) in regards to the calculation of the ownership ratio of share certificates, etc. pursuant to each Item of Article 27-2, Paragraph 1 of the Act). Since the share certificates, etc (excluding any treasury shares) owned by each of the special related parties are also subject to purchase through the Tender Offer, “Number of Voting Rights Represented by Share Certificates, Etc. Owned by Special Related Parties after Purchase” is listed as 0 units. The Tender Offeror plans to confirm the share certificates, etc of the Target Company held by special related parties after today, and if any corrections are necessary, the Tender Offeror will disclose the details of the corrections.

(Note 2) The “Number of Voting Rights Represented by Share Certificates, Etc. Owned by Tender Offeror after Purchase, Etc” is the number of voting rights (253,885 units) relating to the number of shares to be purchased in the Tender Offer (25,388,517 shares) as stated in “(5) Number of shares, etc. to be purchased” above, plus the “Number of Voting Rights Represented by Share Certificates, Etc. Owned by Tender Offeror prior to Purchase, Etc”.

(Note 3) The “Total Number of Voting Rights of All Shareholders, Etc. of the Target Company” represents the total number of voting rights of all shareholders, etc. as of September 30, 2024, as indicated in the Target Company Securities Report. However, as shares constituting less than a unit are also subject to purchase through the Tender Offer, in calculating the “Ownership Ratio of Share Certificates, Etc. prior to Purchase” and “Ownership Ratio of Share Certificates, Etc. after Purchase,” the number of voting rights (693,998 units) represented by the number of shares (69,399,889 shares) obtained by deducting the number of treasury shares owned by the Target Company as of September 30, 2025 (493,107 shares), as indicated in the Target Company Securities Report, from the total number of issued shares as of September 30, 2025 (69,892,996 shares), as indicated in the Target Company Securities Report, is used as the denominator.

(Note 4) The “Ownership Ratio of Share Certificates, Etc. prior to Purchase” and the “Ownership Ratio of Share Certificates, Etc. after Purchase” are rounded to the second decimal place.

(7) Aggregate Tender Offer Price 60,678,555,630 yen

(Note) The aggregate tender offer price is calculated by multiplying the number of shares intended to be purchased in the Tender Offer (25,388,517 shares) by the Tender Offer Price per share (2,390 yen).

(8) Method of Settlement

a. Name and Address of Head Office of Financial Instruments Business Operators / Banks in Charge of Settlement for Purchase

SMBC Nikko Securities Inc. 3-1, Marunouchi 3-chome, Chiyoda-ku, Tokyo, Japan

b. Settlement Commencement Date

March 5, 2025 (Wednesday)

c. Method of Settlement

A notice of purchase by way of the Tender Offer will be mailed to the address or location of those who accept the offer to purchase, etc. of share certificates, etc. or those who make an offer to sell, etc. in the Tender Offer (the "**Tendering Shareholders, Etc**.") (or the Standing Proxy in the case of Foreign Shareholders, Etc.) promptly after the end of the Tender Offer Period. In the case where application is made through online trade system (https://trade.smbcnikko.co.jp/) (the "**Nikko Easy Trade**"), a notice of purchase by way of the Tender Offer will be delivered by electronic method.

Payment of the consideration will be made in cash. The proceeds from the sale of the purchased share certificates, etc. shall be transferred from the Tender Offer Agent to the location designated by the Tendering Shareholders, Etc. (or the Standing Proxy in the case of Foreign Shareholders, Etc.) promptly after the settlement commencement date in the manner designated by the Tendering Shareholders, Etc. (or the Standing Proxy in the case of Foreign Shareholders, Etc.).

d. Method for Returning Share Certificates, Etc.

In the event that the Tendered Share Certificates, Etc. are not purchased in their entirety in accordance with the conditions set forth in "a. Conditions Set Forth in Each Item of Article 27-13, Paragraph 4 of the Act and Details thereof" or "b. Conditions for Withdrawal, Etc. of Tender Offer, Details thereof and Method for Disclosure of Withdrawal, Etc." under "(9) Other Conditions and Methods of Purchase" below, the Tendered Share Certificates, Etc. that are required to be returned will be returned to the Tendering Shareholders, Etc. by the Tender Offer Agent promptly after two (2) business days following the last day of the Tender Offer Period (on the day of the withdrawal, etc., if the Tender Offer is withdrawn, etc.) by restoring the record of the shares in the Tendering Shareholders' Account of the Tender Offer Agent to the status at the time of the relevant tender (the "status at the time of the relevant tender" means the status where execution of the order to apply for the Tender Offer was cancelled.).

(9) Other Conditions and Methods of Purchase

a. Conditions Set Forth in Each Item of Article 27-13, Paragraph 4 of the Act and Details thereof

If the aggregate number of the Tendered Share Certificates, Etc. is less than the minimum number of shares to be purchased (2,255,228 shares), the Tender Offeror will not purchase any of the Tendered Share Certificates, Etc. If the aggregate number of the Tendered Share Certificates, Etc. is equal to or greater than the minimum number of shares to be purchased (2,255,228 shares), the Tender Offeror will purchase all of the Tendered Share Certificates, Etc.

b. Conditions for Withdrawal, Etc. of Tender Offer, Details thereof and Method for Disclosure of Withdrawal, Etc.

The Tender Offer may be withdrawn, etc. upon the occurrence of any event listed in Article 14, Paragraph 1, Items 1 (a) through (j) and (m) through (s), Items 3 (a) through (h) and (j), as well as Article 14, Paragraph 2, Items 3 through 6, of the Order for Enforcement of the Financial Instruments and Exchange Act (Cabinet Order No. 321 of 1965, as amended; the "**Enforcement Order**"). In the Tender Offer, the "matters equivalent to the matters listed in (a) through (i)" in Article 14, Paragraph 1, Item 3 (j) of the Enforcement Order means the cases (i) where it is found that there is a false statement or omission regarding a material matter to be stated in the statutory disclosure documents that the Target Company previously submitted and where the Tender Offeror was unaware of the existence of the false statement, etc. and was unable to become aware of them despite using due care or(ii) where the matters listed in (a) through (i) of the same item occur with respect to a material subsidiary of the Target Company.

In the event that the Tender Offeror intends to withdraw the Tender Offer, etc., it will provide public notice thereof through electronic disclosure as well as in the Japanese newspaper Nihon Keizai Shimbun. However, if it is difficult to provide such notice within the Tender Offer Period, the Tender Offeror will make an official announcement pursuant to Article 20 of the TOB Order and provide public notice promptly thereafter.

c. Conditions for Reduction of Purchase Price, Details thereof and Method for Disclosure of Reduction

Pursuant to Article 27-6, Paragraph 1, Item 1 of the Act, if the Target Company takes any action set forth in Article 13, Paragraph 1 of the Enforcement Order during the Tender Offer Period, the Tender Offeror may reduce the Tender Offer Price pursuant to the standards set forth in Article 19, Paragraph 1 of the TOB Order.

Should the Tender Offeror intend to reduce the Tender Offer Price, it will provide public notice thereof through electronic disclosure as well as in the Japanese newspaper *Nihon Keizai Shimbun*. However, if it is difficult to provide such notice within the Tender Offer Period, the Tender Offeror will provide an official announcement pursuant to Article 20 of the TOB Order and provide public notice promptly thereafter.

If the Tender Offer Price is reduced, the Tender Offeror will purchase the tendered share certificates, etc. that are tendered even on or prior to the public notice at the reduced Tender Offer Price.

d. Matters Concerning Right of Cancellation of Contract of Tendering Shareholders, Etc.

Tendering Shareholders, Etc. may cancel the contract related to the Tender Offer at any time during the Tender Offer Period.

In order to cancel the contract, Tendering Shareholders, Etc. must personally deliver or mail (by post) a written request for the cancellation of the contract related to the Tender Offer (the "**Cancellation Documents**") to the entity designated below by 15:30 on the last day of the Tender Offer Period. (Please note that business hours may differ from office to office. Therefore, please check the business hours, etc. of the office you intend to use before proceeding with the procedures.) If cancellation is made by postal mail, the cancellation will not be effective unless the Cancellation Documents are delivered to the entity designated below by 15:30 on the last day of the Tender Offer Period. (Please note that business hours may differ from office to office. Therefore, please check the business hours, etc. of the office you intend to use before proceeding with the procedures.)

A contract executed via the Nikko Easy Trade can be canceled by logging onto the Nikko Easy Trade website and completing the cancellation procedures in the manner prescribed on such website by 15:30 on the last day of the Tender Offer Period.

Entity authorized to receive the Cancellation Documents:

SMBC Nikko Securities Inc. 3-1, Marunouchi 3-chome, Chiyoda-ku, Tokyo, Japan
(and branch offices of SMBC Nikko Securities Inc. located in Japan)

No compensation for damages or penalty payment will be claimed against any Tendering Shareholders, Etc. by the Tender Offeror related to any such cancellation of contract by the Tendering Shareholder, Etc. The cost of returning the Tendered Share Certificates, Etc. will be borne by the Tender Offeror. If a request for cancellation is made, the Tendered Share Certificates, Etc. will be returned promptly after the completion of the procedures pertaining to such request for cancelation by way of the method described in "d. Method for Returning Share Certificates, Etc." in "(8) Method of Settlement" above.

e. Method for Disclosure if Conditions or Other Terms of Tender Offer Are Changed

The Tender Offeror may change the terms or conditions, etc. of the Tender Offer during the Tender Offer Period, except where it is prohibited pursuant to Article 27-6, Paragraph 1 of the Act and Article 13 of the Enforcement Order.

Should any terms or conditions of the Tender Offer be changed, the Tender Offeror will provide public notice thereof through electronic disclosure as well as in the Japanese newspaper *Nihon Keizai Shimbun*. However, if it is difficult to provide notice within the tender offer period, the Tender Offeror will provide an official announcement pursuant to Article 20 of the TOB Order and provide public notice promptly thereafter.

Should any of the terms or conditions of the Tender Offer be changed, the purchase of the Tendered Share Certificates, Etc. tendered on or prior to the date of such public notice will also be made in accordance with the changed terms and conditions.

f. Method for Disclosure if Amended Statement Is Submitted

If the Tender Offeror submits an amendment to the Tender Offer Registration Statement to the Director-General of the Kanto Local Finance Bureau (except in the case prescribed in the proviso to Article 27-8, Paragraph 11 of the Act), the Tender Offeror will promptly make an official announcement of the details of such amended statement to the extent relevant to the contents of the public notice of the start of the Tender Offer, pursuant to the method set forth in Article 20 of the TOB Order. The Tender Offeror will also promptly amend the tender offer explanatory statement and provide the amended explanatory statement to the Tendering Shareholders, Etc. who received the tender offer explanatory statement. However, if the extent of the amendments is limited, the Tender Offeror will convey the changes to the Tendering Shareholders, Etc. by way of preparing and delivering to the Tendering Shareholders, Etc. a document stating the reason for the amendments, the matters amended and the details thereof.

g. Method for Disclosure of Results of Tender Offer

The Tender Offeror will announce the results of the Tender Offer in accordance with the methods stipulated in Article 9-4 of the Enforcement Order and Article 30-2 of the TOB Order on the day following the last day of the Tender Offer Period.

(10) Date of Notice of Commencement of Tender Offer

January 14, 2025 (Tuesday)

(11) Tender Offer Agent

SMBC Nikko Securities Inc. 3-1, Marunouchi 3-chome, Chiyoda-ku, Tokyo

3. Policy after Tender Offer and Future Prospects

(1) Policy after Tender Offer

For the policy, etc. after the Tender Offer and future prospects, please refer to “(2) Background, Purpose and Decision-Making Process Leading to Decision to Implement Tender Offer, and Management Policy After Tender Offer” in “1. Purpose of Purchase, Etc.” above.

(2) Impact on and Prospects for Tender Offeror’s Future Consolidated Financial Results

The Tender Offeror is currently reviewing the impact the Tender Offer will have on the Tender Offeror’s financial results and if any revision to the financial results forecast becomes necessary or any matters that should be disclosed come to light in the future, the Tender Offeror will promptly disclose the same.

4. Others

(1) Agreements between Tender Offeror and Target Company or its Officers, and Details Thereof

a. Support for Tender Offer

According to the Target Company's Press Release, the Target Company resolved, at the Board of Directors meeting of the Target Company held today, to express its opinion to support the Tender Offer and recommend that the shareholders of the Target Company tender their shares in the Tender Offer.

For further information, please refer to the Target Company's Press Release and "f. Unanimous Approval by All of the Non-interested Directors of the Target Company, including the Director who is the Audit and Supervisory Committee Members" in "(3) Measures to Ensure Fairness of Tender Offer Such as Measures to Ensure Fairness of Tender Offer Price and to Avoid Conflicts of Interest" under "1. Purpose of Purchase, Etc." above.

b. Background, Purpose and Decision-Making Process Leading to Decision to Implement Tender Offer, and Management Policy After Tender Offer

Please refer to "(2) Background, Purpose and Decision-Making Process Leading to Decision to Implement Tender Offer, and Management Policy After Tender Offer" in "1. Purpose of Purchase, Etc." above.

c. Measures to Ensure Fairness of Tender Offer such as Measures to Ensure Fairness of Tender Offer Price and to Avoid Conflicts of Interest

Please refer to "(3) Measures to Ensure Fairness of Tender Offer Such as Measures to Ensure Fairness of Tender Offer Price and to Avoid Conflicts of Interest" in "1. Purpose of Purchase, Etc." above.

(2) Other Information Deemed Necessary for Investors to Decide Whether to Tender Their Shares in the Offer, Etc.

According to the Target Company, it has resolved at its Board of Directors meeting held today that, subject to the successful completion of the Tender Offer, it will revise its dividends forecasts for FY September 2025 as announced on November 14, 2024, and that it will not make any interim dividend payment for FY September 2025. For details, please refer to the press release "Notice Regarding Dividends of Surplus (Non-Payment of Interim Dividend)" announced by the Target Company today.

End of document

The Tender Offer relates to the common shares of the Target Company, a company incorporated in Japan. The Tender Offer will be conducted in accordance with the procedures and information disclosure standards prescribed under Japanese laws and these procedures and standards may differ from the procedures and information disclosure standards in the United States. In particular, Sections 13(e) and 14(d) of the U.S. Securities Exchange Act of 1934 (as amended), and the rules prescribed thereunder, do not apply to the Tender Offer, and the Tender Offer does not conform to those procedures and standards, and thus may not be comparable to the financial statements of U.S. companies. The financial information contained or referred to in this notice is prepared in accordance with accounting principles generally accepted in Japan and such accounting principles may be considerably different from accounting principles generally accepted in the U.S. or other countries. It may be difficult to enforce any right or claim arising under U.S. federal securities laws because the Tender Offeror is incorporated outside the United States and some or all of its directors are non-U.S. residents. Shareholders may not be able to sue a company outside the United States and its directors in a non-U.S. court for violations of the U.S. securities laws. Furthermore, there is no guarantee that shareholders will be able to compel a company outside the United States or its subsidiaries and affiliates to subject themselves to the jurisdiction of a U.S. court.

Unless otherwise specified, all procedures relating to the Tender Offer will be conducted entirely in Japanese. While some or all of the documentation relating to the Tender Offer will be prepared in English, if there is any inconsistency between the English documentation and the Japanese documentation, the Japanese documentation will prevail.

The information provided in this Statement and the documents referenced herein contains "forward-looking statements" as defined in Section 27A of the Securities Act of 1933 (as amended) and Section 21E of the Securities Exchange Act of 1934. Actual results may differ substantially from the projections or similar statements implicitly or explicitly made in the forward-looking statements due to known or unknown risks, uncertainties or other factors. No promises are made by the Tender Offeror, the Target Company or their affiliates that the projections or similar statements implicitly or explicitly made in the "forward-looking statements" will ultimately be accurate. The forward-looking statements in this notice and the documents referenced herein have been prepared based on the information available to the Tender Offeror at the date of this Statement and unless required by laws, regulations or financial instruments exchange rules, neither the Tender Offeror, the Target Company nor their affiliates are obligated to update or revise the forward-looking statements to reflect any future events and conditions.

The Tender Offeror, the financial advisors of the Tender Offeror and the Target Company and the Tender Offer Agent (including their respective affiliates) may, in the ordinary course of its business, engage in the purchase or any trade relating to the purchase of the common shares of the Target Company outside the Tender Offer for its own or its customer's account before commencement of, or during the Tender Offer Period for purchases, etc. that is specified under, the Tender Offer, in accordance with the requirements of Rule 14e-5(b) of the U.S. Securities Exchange Act of 1934 (as amended) and to the extent permitted under Japanese financial instruments transaction-related laws and regulations. Such purchase may be conducted by way of market transaction at market price, or by off-market transactions at negotiated prices. If any information regarding such purchases is disclosed in Japan, such information will also be disclosed in English on a website of such person who has conducted such purchase (or by other means of disclosure).